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Energy
TRANS-CANADA PIPE LINES LIMITED

CONTRACTS OTHER THAN GAS SALES CONTRACTS


Exhibit no. C-19-6

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TRANS-CANADA PIPE LINES LIMITED

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THIS GAS PURCHASE CONTRACT made the "18th"
day of "January", 1956.

B E T W E E N:

HOME OIL COMPANY LIMITED, a body
corporate having an office in the City of
Calgary, in the Province of Alberta
(herein referred to as "Seller"),

OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED, a
body corporate with head offices in the City
of Calgary, in the Province of Alberta
(herein referred to as "Buyer").

OF THE SECOND PART

WHEREAS the parties hereto entered into an Agreement
dated February 21, 1956, therein and hereinafter called "Precedent Agreement"
which provided for the execution of a Contract by the parties hereto for the
purchase and sale of gas which Contract was attached to such Precedent
Agreement as Exhibit "A" thereto;

AND WHEREAS the parties hereto entered into a Letter Agree-
ment dated March 9, 1956, amending the said Precedent Agreement in the
event of non-unitization of the Nevis Gas Field;

AND WHEREAS the parties hereto entered into a Letter Agree-
ment dated March 9, 1956, amending the Precedent Agreement to the extent
that certain dates in Exhibit "A" to such Precedent Agreement were extended
and certain dates in Exhibit "B" to such Precedent Agreement were extended;

AND WHEREAS the parties hereto desire to cancel and super-
cede in their entirety the above described Precedent Agreement of February 21,

1956, the Non-Unitization Letter Agreement of March 9, 1956, and the Extension Letter Agreement of March 9, 1956.

AND WHEREAS Buyer proposes to construct a natural gas transmission pipe line from the Province of Alberta to Eastern Canada;

AND WHEREAS Seller has interests in gas in the Nevis Gas Field in Alberta, and Seller will have a supply of gas available from said Field and is desirous of selling such gas to Buyer;

AND WHEREAS Buyer desires to purchase such gas from Seller for a portion of the requirements for its pipe line;

NOW THEREFORE WITNESSETH THAT in consideration of the mutual covenants and agreements hereinafter set forth it is hereby agreed and declared between the parties hereto that said above described Precedent Agreement of February 21, 1956, said above described Non-Unitization Letter Agreement of March 9, 1956, and said above described Extension Letter Agreement of March 9, 1956, are hereby cancelled and superceded in their entirety and shall be of no further force and effect, and it is further hereby agreed and declared between the parties hereto as follows:

ARTICLE I - DEFINITIONS

1. The following words and terms, wherever and whenever used or appearing in this agreement shall have the following scope or meaning unless the context requires another meaning:

(a) The word "day" shall mean a period of twenty-four (24) consecutive hours, beginning and ending at 8:00 o'clock A M Mountain Standard Time, or at such other time as may hereafter be mutually agreed upon by the parties hereto.

(b) The word "month" shall mean a period beginning at 8:00 o'clock A M. on the first day of a calendar month and ending at 8:00 o'clock A.M. on the first day of the next succeeding calendar month.

(c) The word "year" shall mean a period of three hundred and sixty five (365) consecutive days beginning on the first day of the calendar month next following the date gas is first delivered hereunder, or on any anniversary of the first day of such calendar month; provided, however, that any such year which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days.

(d) The word "gas" shall include both natural gas and residue gas

(e) The term "Buyer's facilities" shall mean facilities to be built or caused to be built by Buyer which are necessary to receive and transport the quantities of gas which Buyer proposes to buy under this Contract.

(f) The term "Seller's facilities" shall mean such facilities as are required for Seller or nominee to gather, dehydrate, process and deliver gas to Buyer at the delivery point established under Article VIII hereof at the required delivery pressure and in the quantities and quantity herein established

(g) The term "Mcf" shall mean one thousand (1,000) cubic feet of gas as determined on the measurement basis set forth in Article VII hereof

(h) The term "BTU" shall mean British Thermal Unit.

(i) The term "leases" shall mean and include any document by virtue of which Seller is entitled to drill for, produce and sell gas from the lands described in Exhibit "A" attached to this contract

ARTICLE II - CONDITIONS

1. It is understood that The Alberta Gas Trunk Line Company Limited (herein referred to as "Trunk Line") proposes to construct a trunk line transmission system from various locations in the Province of Alberta to a point in Eastern Alberta near the Saskatchewan border (which point is hereinafter referred to as "the Saskatchewan Gate") for the purpose of delivering gas, including the gas purchased by Buyer from Seller hereunder, from various sources to the said Saskatchewan Gate for delivery to Buyer for use in its proposed natural gas transmission system. It is further contemplated that the gas which Buyer is purchasing from Seller hereunder shall be delivered to Trunk Line by Seller or its nominee at the point of delivery specified herein and in accordance with the terms and provisions hereof. It is specifically understood and agreed that Seller's and Buyer's obligations under this Contract are conditional upon completion by Trunk Line of its said system in a manner and by the time necessary to enable Seller and Buyer to meet such obligations herein.

2. Buyer represents that it proposes to construct and operate a gas pipe line transmission system extending from the Saskatchewan Gate to market areas along its said route, including an export connection with Midwestern Gas Transmission Company

(under assignment from Tennessee Gas Transmission Company) at or near Emerson, Manitoba, and to market areas in Eastern Canada substantially as outlined in Exhibit "B" of this Contract.

3. Buyer contemplates entering into an Agreement for transportation of gas purchased under this Contract from the point of delivery set out herein to Buyer's facilities at the Saskatchewan Gate.

4. Seller represents that it is the holder or entitled to become the holder by assignment or otherwise of the leases in the said Nevis Gas Field in the Province of Alberta, all as more particularly described in Exhibit "A" attached hereto and by reference made a part hereof. Seller represents that Seller is willing, subject to and in accordance with the provisions of this Contract, to make available to Buyer for Buyer's pipe line sufficient gas from the Nisku member of the Winterburn formation of the Devonian System (D₂) and the Leduc member of the Woodbend formation of the Devonian System (D₃) of the said lands and leases to meet Seller's obligations under this Contract.

5. (i) The parties hereto recognize that before delivery of gas can be made hereunder, all permits, certificates and other authorizations required under existing laws and regulations to construct the line and conduct its business must be obtained by Buyer. Buyer agrees to continue diligent efforts to procure such permits, certificates and other authorizations. In the event that Buyer has not obtained on or before 1 March, 1957, all necessary

permits from the governmental authorities of the Province of Alberta, provided that such permits are in the same terms as the present permits granted or applied for, and if such terms are changed or added to, then such changes or additions must be satisfactory to Seller, and if Buyer has not obtained on or before 1 March, 1957 all other necessary certificates and permits from regulatory bodies, provided that such certificates and permits from regulatory bodies are in the same terms as the present certificates and permits from regulatory bodies granted or applied for, and if such terms are changed or added to, then such changes or additions must be satisfactory to Seller, which will enable Buyer to build its Initial Pipe Line as described in Exhibit "B" hereunder to remove gas from the Province of Alberta, and to purchase gas from Seller in accordance with all of the provisions hereof, and has not entered into a Contract with Trunk Line for transportation of gas from the point of delivery (Article VIII, section 3) to the Saskatchewan Gate or made other arrangements for such transportation satisfactory to Seller and has not obtained a certificate from the underwriters of the project that Buyer has arranged adequate financing for the Initial Pipe Line as described in Exhibit "B" by 1 March, 1957 then this Con-

tract shall terminate automatically on 1 May, 1957, provided, however, that Seller shall have the right to extend said date of 1 March, 1957, if it so desires and the decision of Seller whether or not to extend such date may be made by Seller at any time between such date and 1 May, 1957, or to terminate this Contract prior to 1 May, 1957, by written notice, in which case termination shall be effective on the day such notice is served on the Buyer.

(ii) The parties hereto agree that immediately upon Buyer's obtaining all such permits, certificates and other authorizations, provided that such permits, certificates and other authorizations are in the same terms as the present permits, certificates and other authorizations granted or applied for, and if such terms are changed or added to, then such changes or additions must be satisfactory to Seller, Buyer will proceed with due diligence to build the line and Seller will proceed with due diligence to drill and develop its leases in accordance with subsection (i) of section 6 of this Article. Each party hereto hereby undertakes to do all things necessary on its part so that unless prevented by circumstances beyond its control, the pipe line system may be completed and gas may be delivered into it on or before 1 November, 1959. In the event Buyer is unable to take delivery of gas hereunder by 15 December, 1959, Seller shall have the right to terminate this Agreement on 1 January, 1960 by giving Buyer written notice of such termination on or before 20 December, 1959.

6. (i) Upon Buyer's receiving all necessary certificates and permits from regulatory bodies as hereinbefore set forth for the transportation and sale of gas to be purchased hereunder and after notification to Seller from Buyer that Buyer has received delivery of material and has begun physical construction of Buyer's pipe line system and upon Buyer furnishing Seller a certificate from the underwriters of the project that Buyer has arranged for adequate financing of the said Initial Pipe Line as described in Exhibit "B" Seller shall start to drill such additional wells as are necessary in the opinion of the Seller, and shall continue from time to time to drill such additional wells as in the opinion of the Seller are required by good production practice to supply the amounts of gas specified in this Agreement.

(ii) Seller shall also with due diligence prosecute to completion Seller's facilities necessary in Seller's opinion, including the development contemplated by section 6 (i) of this Article, which facilities shall be constructed and completed prior to the date of first delivery of gas hereunder, provided, however, that Seller shall not have to commence such operations until Buyer has furnished proof as contemplated by Article II, section 6 (i) of its ability to take gas as at the date proposed for delivery under this Contract and any later failure to furnish Buyer's facilities as are necessary to take such gas shall leave with Seller the right to take such steps, legal or otherwise, as it may deem advisable to recover such losses as may be incurred through such failure on the part of Buyer.

ARTICLE III - RESERVATIONS OF SELLER

1. Seller hereby expressly reserves unto itself the following right, namely: To operate its properties, free from any controls by Buyer, in such manner as Seller in its sole discretion may deem advisable, including, but not so as to restrict the generality of the foregoing, the right to determine when and where any additional well will be drilled, or when and whether any well will be reworked or recompleted, or when and whether any lease or gas well cannot or has ceased to produce gas in paying quantities and is to be released or abandoned; to determine the manner in which the quantities of gas to be delivered hereunder shall be allocated to and produced by Seller from the respective gas wells of Seller on said leases; and to deliver to the lessors of Seller's said leases the quantities of gas which such lessors are entitled to take in kind.

Without restricting the generality of the reservations already made by Seller, Seller is hereby given the right to be exercised in such manner as it, in its sole discretion, shall deem advisable, to unitize any of the lands and leases which are shown in Exhibit "A" attached hereto with other lands and leases, in which event this contract will only cover Seller's interest in the gas in the Nisku member of the Winterburn formation of the Devonian System (D₂) and the Leduc member of the Woodbend formation of the Devonian System (D₃) allocated to the lands and leases set forth in Exhibit "A", and shall not extend to any other gas allocated to lands and leases in the Unit but not listed in Exhibit "A", and in the event that by unitization the reserves and deliverability of said formations of the lands and leases listed in Exhibit "A" are greater than those required to fulfill the obligations

of this contract, the same shall be surplus to the contract.

2. Seller reserves unto itself, its successors and assigns, quantities of gas which may be required for the development and operation of all zones of the lands of which the leases set out in Exhibit "A" hereto comprise a part, including but not limited to gas for gas lift operations and return to reservoir, so long as such gas lift operations and return to reservoir do not interfere with Seller's ability to deliver gas as specified hereunder. Seller also reserves unto itself, its successors and assigns, sufficient quantities of gas for the operation of separator equipment, gasoline, and other extraction plants, compressor stations, and other facilities through which the gas to be delivered hereunder may be processed or handled.

3. Seller may extract or permit the extraction of hydrocarbons, other than methane, from the gas delivered hereunder, and shall have the right to remove such methane as is necessarily removed from the gas in recovering other constituents; provided that Seller by such processing shall not reduce the total heating value per cubic foot below nine hundred fifty (950) BTUs and provided that by such extraction the gas will not be rendered incapable of meeting any of the quality specifications set forth in Article V hereof.

4. Seller shall not be required by the provisions hereof to produce wells in excess of their respective allowable rates of flow as fixed by law or regulatory bodies, or in excess of their maximum efficient rates of flow as determined by Seller, or in excess of the current rate of production

permitted Seller under the terms of applicable operating agreements in instances of wells jointly operated with other parties, whichever is the smallest quantity.

5. During the periods where force majeure applies the Seller shall have the right to sell and deliver gas to others in such quantities as are necessary to prevent the termination of Seller's lease, leases or interests by reason of non-production

ARTICLE IV - QUANTITY OF GAS

1. Subject to the terms and provisions of this Contract commencing on the date of initial delivery of gas hereunder and during each of the twelve (12) months periods set out in Exhibit "C" attached hereto and hereby made a part hereof, Buyer agrees to take and pay for, if available hereunder, or to pay for if available and not taken hereunder, a daily quantity of gas as determined by paragraphs (a) and (b) below, whichever is the larger.

(a) The daily quantity for the applicable twelve (12) months period as shown in Column B of Exhibit C attached hereto; or,

(b) The smaller of the two quantities as determined by items (i) and (ii) below:

(i) On or before August 15th of each calendar year following the date of initial delivery hereunder until and including August 15th, 1962, Buyer will deliver written notice to Seller stating therein the total quantity of gas Buyer has sold and delivered during the

twelve (12) months period ending on the last preceding July 31st (such twelve (12) months period hereinafter called the "test period"). The daily quantity of gas determined by this item (i) shall be equal to the quotient obtained by dividing (1) the quantity equal to the product of such total quantity of gas so delivered and sold by Buyer during the test period multiplied by the quantity shown in Column A of Exhibit C hereto for the twelve (12) months period commencing with the next succeeding November 1st, multiplied by ninety per cent (90%), by (2) the quantity equal to the product of the quantity shown in Column C of Exhibit C hereto for the twelve (12) months period commencing with the next succeeding November 1st multiplied by the number three hundred and sixty-five (365); or

(ii) The daily quantity for the applicable twelve (12) months period as shown in Column E of Exhibit C hereto.

2. On or before August 15th of each calendar year following the date of initial delivery hereunder, until and including August 15th, 1962, Buyer will deliver written notice to Seller stating therein Buyer's maximum annual sales requirements for the twelve (12) months period commencing with the next succeeding November 1, for which Buyer's facilities have or will have capacity to serve, and stating therein Buyer's corresponding minimum annual sales requirements for such twelve (12) months period. In the event Buyer's maximum annual sales requirements referred to immediately above exceed the quantity which is the product of the quantity shown in Column C of Exhibit C hereto for the same twelve (12) months period multiplied by the number three hundred sixty-five (365), Buyer agrees, subject to the terms and provisions of this Contract (but notwithstanding any of the terms and provisions of Section 1, of this Article IV to the contrary), to take and pay for, if available, or to pay for if available and not taken a daily quantity of gas during the twelve (12) months period last referred to immediately above which is the lesser of (i) and (ii) below:

- (i) The quantity equal to the quotient obtained by dividing (1) the quantity which is the product of Buyer's minimum annual sales requirements furnished Seller hereunder multiplied by the quantity shown in Column A of Exhibit C hereto

for the same twelve (12) months period by (2)

Buyer's maximum annual sales requirements

furnished Seller hereunder; or

(ii) The daily quantity for the applicable twelve

(12) months period as shown in Column E of

Exhibit C hereto.

3. Commencing November 1, 1963, and continuing for the remainder of the term hereof, subject to the terms and provisions of this Contract, Buyer agrees to take and pay for, if available hereunder, or to pay for, if available hereunder and not taken, a daily quantity of gas equal to the quantity shown in Column E of Exhibit C hereto for the twelve (12) months period commencing November 1, 1962.

4. From the date of initial delivery of gas hereunder until November 1, 1963, Buyer shall have the right to purchase, and Seller will sell and deliver to Buyer, such quantity of gas per day as Buyer may from day to day elect to purchase up to a maximum quantity equal to the applicable quantity shown in Column A of Exhibit C hereto. From and after November 1, 1963, and during the remainder of the term hereof Buyer shall have the right to purchase, and Seller will sell and deliver to Buyer such quantity of gas per day as Buyer may from day to day elect to purchase up to a maximum quantity equal to the quantity shown in Column A of Exhibit C hereto for the period commencing November 1, 1962 and ending October 31, 1963.

5. Buyer, consistent with the operation of its pipe line system, shall take gas as nearly as practicable at uniform hourly rates of flow, and at uniform daily deliveries, but it is understood that if during any one year Buyer fails to take the total minimum which it is required to take or pay for during said year, Buyer shall have the right during the next succeeding year to take and receive a quantity of gas over, above and in addition to the quantity of gas Buyer is obligated to take or pay for hereunder up to the quantity paid for but not received, without further payment, (but not to exceed on any one day an aggregate quantity greater than the applicable quantity shown in Column A of Exhibit C hereto) and said amounts of gas so made up in such succeeding year shall not be treated and considered as a part of the minimum gas which Buyer is obligated to take or pay for during the current year.

6. If Seller fails to deliver to Buyer at Buyer's request a daily quantity of gas hereunder equal to the applicable quantity shown for such period in Column A of Exhibit C hereto for sixty (60) consecutive days (Buyer being ready able and willing to take and pay for such quantities of gas) Buyer shall notify Seller of such failure of deliverability and Seller shall have thirty (30) days in which to advise Buyer whether Seller intends to initiate

remedial measures to correct such failure of deliverability hereunder. In the event Seller within sixty (60) days after receipt of such notice by Buyer proceeds with due diligence to so correct such failure of deliverability, Seller shall have such time as necessary in which to complete such remedial measures, but in no event more than six (6) months from the date of receipt of notice by Seller from Buyer of such failure of deliverability, unless Seller furnishes to Buyer within ninety (90) days after Seller proceeds to correct such failure of deliverability a notice setting out therein a date of completion which is a later date than the date of expiration of the aforementioned six (6) months but which shall in no event be a date later than the expiration of ten (10) months instead of said six (6) months but Seller shall prove to the reasonable satisfaction of Buyer that such later date of completion is the earliest date by which such remedial measures can be completed. In the event Seller elects not to remedy such failure of deliverability Buyer shall have the right to reduce the quantity shown in Column A of Exhibit "C" hereto for such period and all succeeding periods to the average daily quantity Seller did deliver to Buyer during the last fifteen (15) days of the sixty (60) consecutive day period mentioned above, and to reduce the quantity shown in Column B of Exhibit "C" hereto to a quantity proportionate to the ratio of the new reduced quantity for Column A to the quantity for such period shown in Column A for such period. Likewise, if Seller is unsuccessful in Seller's attempts to remedy the failure of deliverability as shown by a second sixty (60) consecutive day test at the request of Buyer, Buyer shall have the right to reduce the

7. The obligations contained in this Article IV of this Contract whereby the Buyer agrees to pay the Seller for certain amounts of gas whether taken or not is partial recognition of the Seller's ability, by reason of the development of its properties and the construction of the necessary facilities, to handle and deliver the quantities and quality of gas pursuant to this Contract.

quantities shown in Columns A and B of Exhibit "C" hereto as provided immediately above, based upon the daily volumes delivered to Buyer by Seller during the last fifteen (15) days of such second sixty (60) consecutive days deliverability test.

ARTICLE V - QUALITY OF GAS

The gas when delivered hereunder shall be merchantable gas and shall be considered merchantable gas if it at all times complies with the following quality requirements:

1. Heating Value: The gas when delivered hereunder shall have a gross heating value of not less than nine hundred fifty (950) BTUs per cubic foot but, at the option of Buyer, gas at lower calorific value may be delivered.

2. Freedom from Objectionable Matter: The gas to be delivered by Seller hereunder:

(i) Shall be commercially free from dust, gums, crude oil, hydrocarbons liquefiable at temperatures in excess of fifteen (15°) degrees Fahrenheit at eight hundred (800) pounds per square inch absolute, impurities and other objectionable substances which may become separated from the gas and interfere with its transmission through pipe lines.

ii) Shall be commercially free from hydrogen sulphide, containing not more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet.

iii) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet.

(iv) Shall not contain more than two per cent (2%) by volume of carbon dioxide.

(v) Shall have been dehydrated by Seller for removal of water present therein in a vapor state, and in no event contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet of gas, when measured at a pressure of fourteen and four-tenths (14.4) pounds per square inch absolute and a temperature of sixty (60°) degrees Fahrenheit.

(vi) Shall not exceed one hundred twenty (120°) degrees Fahrenheit in temperature at the point of delivery.

ARTICLE VI - MEASUREMENT OF GAS

The measurements and tests of the gas delivered hereunder shall be governed by the following:

1 All measuring and testing equipment, devices and materials required herein at the point of delivery shall be of standard manufacture and of a type acceptable to Seller, and shall, with all related equipment, appliances and buildings be installed, maintained and operated, or furnished, by Buyer at Buyer's expense. Seller may install and operate check measuring and testing equipment, which shall not interfere with the use of Buyer's equipment.

2. The accuracy of Buyer's measuring and testing equipment installed at the point of delivery shall be verified at least once each month and at other times upon request of Buyer or Seller.

Notice of the time and nature of each test shall be given by Buyer to Seller sufficiently in advance to permit convenient arrangement for Seller's representative to be present. Measuring and testing equipment shall be tested by means and methods acceptable to Seller. Tests and adjustments shall be made in the presence of and observed by representatives of both Buyer and Seller, if present. If, after notice, Seller or Buyer fails to have a representative present, the results of the tests shall nevertheless be considered accurate until the next tests. All tests of such measuring and testing equipment shall be made at Buyer's expense, except that Seller shall bear the expense of tests made at its request if the inaccuracy is found to be two per cent (2%) or less.

3 Tests of the quality of the gas for sulphur, hydrogen sulphide and water vapor content prior to delivery shall be made by Seller at Seller's expense when requested by Buyer provided that Seller shall not be required to make such tests more often than once each month. Buyer at its expense may make tests for quality of the gas being delivered at any time. Buyer shall have the right to require Seller to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right to require Seller to discontinue deliveries hereunder until such deficiency is remedied. If the Seller is unable to remedy the deficiency, the Buyer shall have the right

to reduce the daily maximum quantity to the amount which the Seller can deliver consistent with the quality requirements hereof. The minimum quantity of gas to be delivered daily, as provided in Article IV of this Contract shall be reduced in direct proportion to any reduction in said daily maximum quantity made pursuant to the provisions of this section 3.

4. If at any time any of the measuring or testing equipment is found to be out of service, or registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If such equipment is out of service, or inaccurate by an amount exceeding two per cent (2%) at a reading corresponding to the average hourly rate of flow for the period since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. The volume of gas delivered during such period shall be estimated by:

(i) using the data recorded by any check measuring equipment if installed and accurately registering; or,

(ii) if such check measuring equipment is not installed or is not registering accurately, by correcting the error by calibration test or mathematical calculation if the percentage of error is ascertainable; or

iii) if the methods provided in subsections i) and ii) cannot be used, by estimating the quantity, or quality, delivered, based upon deliveries under similar conditions during a period when the equipment was registering accurately

No correction shall be made for recorded inaccuracies of two per cent (2%) or less

5. Buyer and Seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or testing data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. Unless the parties otherwise agree each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least six (6) years

ARTICLE VII - STANDARD OF MEASUREMENTS AND TESTS

The standards of measurements and tests for the gas delivered hereunder shall be governed by the following

1. The unit of volume for purposes of measurement shall be one (1) cubic foot of gas at a temperature of sixty (60°) degrees Fahrenheit and at a pressure of fourteen and four tenths (14.4) pounds per square inch absolute. For purposes of measurement and meter calibration the atmospheric pressure at the point of measurement

hereunder shall be assumed to be constant at fourteen and four-tenths (14.4) pounds per square inch.

2. The sales unit of the gas delivered hereunder shall be one thousand (1,000) cubic feet.

3. The gas delivered by Seller to Buyer shall be measured at the point of delivery by orifice meters installed and maintained, and volumes thereof shall be computed (except for correction for deviation from Boyle's Law), in accordance with the methods prescribed in Gas Measurement Committee Report No. 3, Natural Gas Department, American Gas Association, including the Appendix thereto, as published April, 1955 and any subsequent amendments thereof which are accepted by and agreed upon between the parties.

4. Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperatures at which gas is delivered at the point of delivery hereunder, and the factor for correction for such deviation shall be computed in accordance with the Tables and methods set forth in the California Natural Gasoline Association's Bulletins TS-402 and TS-461, using the daily arithmetical averages of temperature, pressure, and specific gravity.

5. The specific gravity of the gas delivered at the point of delivery hereunder shall be determined by the use of recording gas gravimeter, installed so that it may properly record the specific gravity of

all gas delivered at said point. The gravitometer installed at the point of delivery shall be a type approved by Seller and shall be installed, operated and maintained by Buyer. The arithmetical average of specific gravity recorded each day shall be used in computing volumes of gas measured at the point of delivery.

6. The flowing temperature of the gas delivered at the point of delivery hereunder shall be determined by means of a recording thermometer of standard make acceptable to both parties. The recording thermometer located at the point of delivery shall be installed and maintained by Buyer. The arithmetical average of readings each day shall be deemed the gas temperature and used in computing the volumes of gas delivered at the point of delivery during such day.

7. The gross heating value per cubic foot of the gas at a temperature of sixty (60°) degrees Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two (32°) degrees Fahrenheit delivered at the point of delivery hereunder shall be determined by the use of a standard recording calorimeter, installed so it may properly record at said point. The calorimeter installed at the point of delivery shall be of a type approved by Seller and shall be installed, operated and

maintained by Buyer. The total heating value per cubic foot of the gas delivered at the point shall be determined for any month by taking the weighted arithmetical average of the heating value as recorded each day by the calorimeter at the point of delivery.

8. Tests to determine sulphur and hydrogen sulphide content of gas at the point of delivery by Seller shall be made by Seller, at Seller's expense, by approved standard methods in general use in the gas industry, and the water vapor content shall be determined by Seller, at Seller's expense, by the use of a dew point apparatus approved by the Bureau of Mines of the United States of America or other method mutually acceptable to Buyer and Seller.

ARTICLE VIII - DELIVERY PRESSURE AND POINT OF DELIVERY

1. The delivery pressure of the gas delivered hereunder shall be any pressure required by Buyer not in excess of nine hundred (900) pounds per square inch gauge pressure.

2. Seller shall install, maintain and operate compression and other facilities when needed during the term hereof to deliver the quantities of gas provided for herein at the delivery pressure specified in section 1 above. In the event for any period of ninety (90) consecutive days during the term hereof Seller is unable to deliver through Seller's facilities at the pressure required in section 1 above the quantities of gas provided for herein and if by compression of the gas Seller's deliveries can be increased, then Buyer, in addition to any other rights which Buyer may have, shall have the option to install, maintain and

operate such compression facilities as may be necessary to increase deliveries hereunder to the required amount or the maximum practicable amount to which such deliveries can be increased by the installation or addition of compression facilities, whichever is the lesser amount. It is provided, however, that such option shall not accrue to Buyer if Seller, within a period of ten (10) days after the expiration of said ninety (90) day period, has

(i) Remedied said deficiency,

(ii) Agreed to proceed diligently with the installation, maintenance and operation of compression facilities of sufficient capacity to enable it to increase said deliveries to the required amount or the maximum practicable amount to which said deliveries can be increased by the installation or addition of compression facilities, whichever is the lesser amount; or

(iii) Has committed itself to Buyer by supplemental contract to an additional development program, satisfactory to Buyer, intended to remedy such deficiency.

In the event Seller commits itself to such an additional development program which fails to restore said deliveries to the required amount or in the event said deliveries again become insufficient as above described, the option provided for

herein shall accrue again to Buyer.

3. The point of delivery of all gas delivered hereunder shall be at a single point or points to be agreed upon in writing between the parties hereto

4. Possession of and title to all gas delivered hereunder shall pass from Seller or his nominee or nominees to Buyer at the point where such gas leaves Seller's facilities and enters Buyer's facilities or the facilities of a transporter for Buyer at said point of delivery. Until such deliveries, Seller shall be deemed to be in control or possession of, have title to, and be responsible for such gas, and after which Buyer shall be deemed to be in control or possession of, have title to, and be responsible for such gas

ARTICLE IX - TERM OF CONTRACT

Subject to the other provisions hereof, this Contract shall be effective from the date hereof and shall continue for a period of twenty-five (25) years next following the date of first delivery of gas hereunder or until the expiration of Buyer's permit to remove gas from the Province of Alberta, whichever first occurs

ARTICLE X - PRICE

1. (i) The prices to be paid by Buyer for gas delivered hereunder or required to be paid for if tendered and not taken, during the following respective periods after the date of the initial delivery of gas hereunder, shall be as follows:

<u>Period</u>	<u>Price</u>
From the date of initial delivery through Dec. 31, 1959.....	10¢ per Mcf
From Jan. 1, 1960 through Dec. 31, 1960.....	10.25¢ per Mcf
From Jan. 1, 1961 through Dec. 31, 1961.....	10.50¢ per Mcf
From Jan. 1, 1962 through Dec. 31, 1962.....	10.75¢ per Mcf
From Jan. 1, 1963 through Dec. 31, 1963.....	11¢ per Mcf
From Jan. 1, 1964 through Dec. 31, 1964.....	11.25¢ per Mcf
From Jan. 1, 1965 through Dec. 31, 1965.....	11.50¢ per Mcf
From Jan. 1, 1966 through Dec. 31, 1966.....	11.75¢ per Mcf
From Jan. 1, 1967 through Dec. 31, 1967.....	12¢ per Mcf
From Jan. 1, 1968 through Dec. 31, 1968.....	12.25¢ per Mcf
From Jan. 1, 1969 through Dec. 31, 1969.....	12.50¢ per Mcf
From Jan. 1, 1970 through Dec. 31, 1970.....	12.75¢ per Mcf
From Jan. 1, 1971 through Dec. 31, 1971.....	13¢ per Mcf
From Jan. 1, 1972 through Dec. 31, 1972.....	13.25¢ per Mcf
From Jan. 1, 1973 through Dec. 31, 1973.....	13.50¢ per Mcf
From Jan. 1, 1974 through Dec. 31, 1974.....	13.75¢ per Mcf
From Jan. 1, 1975 through Dec. 31, 1975.....	14¢ per Mcf
From Jan. 1, 1976 through Dec. 31, 1976.....	14.25¢ per Mcf
From Jan. 1, 1977 through Dec. 31, 1977.....	14.50¢ per Mcf
From Jan. 1, 1978 through Dec. 31, 1978.....	14.75¢ per Mcf
From Jan. 1, 1979 through Dec. 31, 1979.....	15¢ per Mcf
From Jan. 1, 1980 through Dec. 31, 1980.....	15.25¢ per Mcf
From Jan. 1, 1981 through Dec. 31, 1981.....	15.50¢ per Mcf
From Jan. 1, 1982 and thereafter during the term hereof.....	15.75¢ per Mcf

all on the measurement basis as set forth in Articles VI and VII hereof.

(ii) It is understood and agreed that regardless of the provisions for price redetermination as hereinafter set forth the prices set forth in section 1 (i) of this Article X or as set by subsections (iii) or (iv) of this Article shall be minimum prices and no redetermination of prices

shall result in prices less than those set out in or redetermined or arrived at by section 1 of this Article X.

(iii) There shall be no redetermination of the prices to be paid pursuant to this Contract until 1 January, 1968 unless:

- (a) the Buyer publishes or files financial statements with any regulatory body or Seller disclosing Buyer's earnings rate of return to be in excess of seven-and-one-half per cent (7-1/2%), or an earnings rate of return, if any, which may be fixed by regulation or legislation and allowed to Buyer, whichever is lower, then and in that event redetermination of price shall take place. On or before the 30th day of April in each and every year during the term of this Contract the Buyer will furnish a financial statement to Seller setting out Buyer's earnings during the calendar year and showing such information as will enable Seller to calculate Buyer's percentage rate of return. The regulatory body contemplated by this subsection is a body such as The Board of Railway Transport Commissioners established by the Government of Canada and given jurisdiction over the earnings rate of return of Buyer.
- (b) in the event that no such board or body is in existence or has jurisdiction to deal with

which such percentage rate of return shall be calculated shall be pursuant to the principles established by The Board of Public Utility Commissioners of the Province of Alberta in its decision dated 26 July, 1951 in the matter of an application by Northwestern Utilities Limited for a variation of its rates, and if the earnings rate of return is in excess of that hereinbefore set forth, then and in that event redetermination of prices shall take place

(iv) Thereafter redetermination of the prices to be paid pursuant to this Contract shall be undertaken as follows.

- (a) On 1 January, 1968 and the end of every five calendar year period thereafter during the life of this Contract;
- (b) Within sixty (60) days from the date on which the overall volumes then authorized to be removed from the Province of Alberta are increased and the Buyer commences transporting the same;
- (c) Within three (3) months of the time that the

total annual overall volume then being transported by the Buyer for its own account from Western Canada through its pipeline system in Canada is greater than the total annual overall volume transported by the Buyer for its own account from Western Canada through its pipeline system in Canada during the year 1967,

- (d) within thirty (30) days from the date on which the Buyer publishes or files financial statements with any regulatory body, disclosing Buyer's earnings rate of return to be in excess of seven-and-one-half per cent ($7\frac{1}{2}\%$) or an earnings rate of return, if any, which may be fixed by regulation or legislation and allowed to Buyer, whichever is lower, then and in that event a re-determination of prices shall be undertaken. The regulatory body contemplated by this subsection is a body such as The Board of Railway Transport Commissioners established by the Government of Canada and given jurisdiction over the earnings rate of return of Buyer. In the event that no such board or body is in existence or has jurisdiction to deal with earnings rate of return, then the basis upon which such percentage rate of return shall be calculated shall be pursuant to the

principles established by The Board of Public Utility Commissioners of the Province of Alberta in its decision dated 26 July, 1951 in the matter of an application by Northwestern Utilities Limited for a variation of its rates, and if the earnings rate of return is in excess of that hereinbefore set forth, then and in that event, a redetermination of prices shall take place

(e) in the event that Buyer, by reason of increased prices or costs, applies to a regulatory or governmental body having jurisdiction, it agrees to present as part of its case such inflationary trends together with the effect of the same on the price of the commodity purchased hereunder, with a view to increasing such prices to the Seller

(v) The Buyer and Seller agree to review annually the average cost of transportation per Mcf rendered by Trunk Line to the Buyer for all gas transported for Buyer. Such average cost of transportation per Mcf shall be calculated by dividing the total transportation charges paid by Buyer for transporting all such gas by the total quantities of gas, expressed in Mcf, transported for Buyer by Trunk Line in Alberta during such annual period. In the event such average cost

of transportation per Mcf so determined is lower than four cents (4¢), then, within sixty (60) days after such determination, Buyer shall pay to Seller that sum of money which is the product of the difference between such average cost of transportation per Mcf and such four cents (4¢) multiplied by the total volume of gas purchased by Buyer from Seller hereunder (expressed in Mcf) and transported by Trunk Line during such annual period.

(v1) If the Buyer shall voluntarily grant a reduction in price, either directly or indirectly, to the persons, firms or corporations, either in the United States or Canada, to whom it has contracted to sell part or all of its throughput, it shall automatically increase, for the period such reduction is to be in effect, the prices determined in section 1 of this Article X to the Seller by fifty per cent (50%) of the total average reduction per Mcf to such purchasers effective the day on which the reduction comes into effect; provided, that if a reduction is granted to any purchaser or purchasers taking less than an annual volume of fifteen million (15,000,000) Mcf of gas, then this clause shall not be operative as to such reduction. It is understood and agreed that this clause is not intended to be, and shall not be construed as being invoked as a result of any event occurring prior to Buyer's first delivery of gas or as a result of any Purchaser under a Gas Sales Contract of Buyer electing to take, converting to and/or receiving any service or

class of service in addition to, in substitution for and/or provided for in, the then applicable rate schedule of such Purchaser providing such service or class of service is contained in the Gas Sales Contracts and Rate Schedules of Buyer as the same existed at the date of the first delivery of gas hereinbefore mentioned

In the event that the Buyer for any calendar year has experienced earnings in excess of the rate of return described by and arrived at pursuant to the provisions of subsection (iii) above, and Buyer has not, by voluntary action, reduced the rates to its purchasers or increased the prices to its suppliers to eliminate such excess in earnings, and as a result of such failure a reduction in Buyer's prices to its purchasers is effectuated by reason of regulatory or legislative action, then Buyer shall automatically increase, for the period such reduction is to be in effect, the prices set forth in section 1 of this Article X to the Seller by fifty per cent (50%) of the total average reduction per Mcf to such purchasers so ordered, effective the day on which such reduction comes into effect; provided, however, if the order of the regulatory body gives effect to the principle contained in this paragraph by allowing any increase to Seller, or specifically in its decision or order denies the principle, then the Seller shall not be entitled to the automatic increase provided for herein in addition

(vii) The parties shall attempt to arrive at prices, including effective dates of such prices, mutually agreeable to both, in the event that the question of redetermination arises by reason of the provisions of this Article X, section 1, (iii) and (iv).

In the event that Buyer and Seller are unable to agree upon prices and the effective dates thereof, and either of the parties is dissatisfied with the manner in which negotiations are proceeding, then such party shall have the right to refer the matter to arbitration, in accordance with Article XVI. Upon demand of the arbitrators, the Buyer shall make available to the arbitrators and to the Seller all of its costs, investments, expenses, revenues and all such other information as may relate to the determination of Buyer's earnings. Such data shall be actual data for a period of not less than five (5) years preceding the redetermination or from the date of this Contract to the date of redetermination if the same occurs on or prior to January 1, 1968 and shall include data which estimates earnings for a period of five (5) years beyond the date of redetermination.

In any redetermination of the price of the natural gas to be purchased hereunder, the price fixed shall be such that it will permit, upon the assumption (except to the extent that is clearly not the fact) that the price of all other natural gas purchased by the Company is correspondingly increased, the Company to earn annually a

rate of return on its rate base (including a reasonable allowance for working capital), after payment of all operating expenses including all taxes and provisions for depreciation and depletion, which will be adequate to permit the Company to earn a reasonable rate of return and to finance the expansion of its pipe line system, in accordance with the general rate-making principles established by the Board of Public Utility Commissioners of the Province of Alberta in its decision, dated July 26, 1951, in the matter of an application by Northwestern Utilities Limited for variation of its rates. Notwithstanding anything contained in this Contract to the contrary, it is understood that Buyer does not necessarily agree hereby that a rate of return on its rate base equal to seven-and-one-half per cent (7-1/2%) is a fair and reasonable rate of return based upon the existing conditions in the present money market.

Regardless of anything herein elsewhere contained, any prices fixed by redetermination or by arbitration shall in no event be lower than the minimum prices as set forth in Article X, section 1 (i), or as redetermined or set by Article X, section 1 (iii) and (iv).

(viii) This Article X, sections 1 and 5, shall be regarded as a whole and shall be construed in their entirety. Prices determined by this Article X, sections 1 and 5, shall represent the price to be paid by the Buyer to the Seller for gas delivered under this Contract during its

term

2 If the weighted average BTU content of the gas delivered hereunder for any month is less than one thousand (1,000) BTU per cubic foot, the price of the gas shall be decreased in direct proportion to the decrease in the BTU content of such gas from one thousand (1,000) BTU per cubic foot. If the weighted average BTU content of the gas delivered hereunder for any month is greater than one thousand (1,000) BTU per cubic foot, the price of such gas shall be increased in direct proportion to the increase in the BTU content of such gas from one thousand (1,000) BTU per cubic foot

3 If at any time during the term of this Agreement any new or additional or increased rate of occupation, production, severance or sales tax or taxes of similar nature or equivalent in effect, in excess of the rate prevailing as of the date hereof, shall be validly imposed by any lawful authority on the gas delivered to Buyer pursuant to this Agreement or on or in respect of the production thereof, or on the sale thereof, so that Seller shall be required to pay such increase either directly or through reimbursing others or indirectly, Buyer shall, subject to the conditions hereinafter set forth, pay to Seller ~~one-half~~ (1/2) of any such increase in taxes or one-half (1/2) of such new taxes, provided, however, that in computing such increases in taxes there shall

not be included increases in income taxes, capital stock taxes, franchise taxes, general property taxes, or such other taxes of like nature as may hereafter be imposed. In case any such adjustment in taxes is to be made, Seller shall notify Buyer immediately and shall within ninety (90) days prepare and submit to Buyer a statement setting forth the amount of such new or excess taxes that it has paid, and within thirty (30) days after submission of such statement an adjustment between parties hereto shall be made by Buyer reimbursing Seller to the extent of one-half ($1/2$) of such new or excess taxes as herein defined which Seller shall have so paid

4. Notwithstanding any provision of this Contract to the contrary, if in order to comply with or by reason of any present or future law, rule, regulation or order, either of the Petroleum and Natural Gas Conservation Board of the Province of Alberta or other governmental authority having jurisdiction therein now or hereafter in effect during the term of this Agreement, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mcf for gas purchased hereunder shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for volumes of gas purchased according to the measurement provisions set forth herein shall remain unaffected by such change of basis or method of measurement.

5. On or before August 15th of each calendar year of the term hereof, commencing with the year 1968, Buyer will deliver written notice to Seller stating therein the weighted average of Buyer's costs per Mcf of gas purchased (including gas paid for but not taken) for the twelve (12) months period ending on the immediately preceding July 31st, from gas producers delivering gas to Buyer or Buyer's nominee from fields located in whole or in part within the Province of Alberta. In the event such weighted average of Buyer's costs per Mcf is greater than the price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5 for gas deliverable to Buyer hereunder during the twelve (12) months period commencing on the next following November 1st, Buyer will increase the price per Mcf payable to Seller for gas deliverable hereunder during such twelve (12) months period commencing on such next following November 1st by an amount equal to the difference between such weighted average of Buyer's costs per Mcf and such price per Mcf payable to Seller under the provisions of this Contract other than the provisions of this Section 5.

The term "Cost per Mcf" as used herein shall mean the purchase price per Mcf plus the amount per Mcf, if any borne or refunded by Buyer for taxes on gas paid or payable by the producer and such cost shall be determined with respect to any other Contracts on the same basis of quality, (including BTU content) measurement and terms of delivery as provided for gas delivered hereunder.

ARTICLE XI - BILLINGS AND PAYMENT

1. Buyer shall render to Seller on or before the fifteenth day of each month a statement as to the amount of gas delivered by Seller during the month preceding, and shall accompany said statement with the supporting charts, which charts shall be returned to Buyer after examination. Buyer agrees to make payment to Seller at its office in Calgary, Alberta, or at a place within Canada as may be otherwise designated, of amounts payable in Canadian funds, on or before the twenty-fifth day of each month for all gas delivered during the preceding month. Should Buyer fail to pay any amount due to Seller when same is due, interest thereon shall accrue at the rate of six per cent (6%) per annum from the date when such amount is due until the same is paid; and if such failure to pay continues for sixty (60) days, Seller, in addition to all other remedies, thereafter may suspend deliveries of gas hereunder and if such default continues for thirty (30) additional days, Seller thereafter may, in addition to any other rights Seller may have, terminate this Contract; provided, however, in order for Seller to have the right to suspend deliveries or terminate this Contract, Seller must first have notified Buyer in writing fifteen (15) days prior to exercising either or both of such rights of its intent to do so and give Buyer the right to pay the amount

so due to Seller within such fifteen (15) day period. Each party shall have the right to inspect and examine at all reasonable times the records and charts of the other party pertaining to the purchase and sale of gas hereunder

2. If, by reason of the provisions of Article IV hereof Buyer shall pay Seller for the amount Buyer is obligated to take during each year, whether taken or not, a payment shall be due to Seller from Buyer, such payment shall be made in Canadian funds within sixty (60) days from and after the end of the year for which such payment shall be due, the provisions of Section 1 of this Article as to non-payment to be applicable to this Section 2

3. All calculations with respect to the price of gas shall be carried to the nearest one-hundredth (1/100th) of a cent

ARTICLE XII - LAWS AND REGULATORY BODIES

1. This Contract and the rights and obligations of the parties hereunder are subject to all present and future laws, rules, regulations and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction

2. Nothing herein contained shall be deemed to prevent Seller from voluntarily adopting or participating in any oil or gas proration, conservation, rateable taking or other similar program provided no such program shall be entered into voluntarily by Seller

which would result in reducing the amount of gas to be delivered hereunder without the Buyer's consent.

ARTICLE XIII - FORCE MAJEURE

1. The minimum take or pay provision shall not be applicable nor shall the parties to this Contract be liable to the other for any act, omission or circumstances occasioned by, or in connection with or consequence of, any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemy sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests, and restraints of rulers and peoples, civil disturbances, explosions, breakage, or accident to machinery, or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, and the order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, any act or omission (including failure to take gas) of a purchaser of gas from, or a transporter of gas to or for, Buyer, which is excused by any event or occurrence of the character herein defined as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of

due diligence such party is unable to prevent or overcome; but provided, however, that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirements that any force majeure shall be remedied with the exercise of diligence shall not require the settlement of strikes or lockouts by acceding to the demands of opposing parties when such course is inadvisable in the discretion of the party having the difficulty.

2. Such causes or contingencies affecting the performance of this Agreement by any party hereto, however, shall not relieve such party of liability in the event of its contributory negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting the performance of this Agreement relieve any party hereto from its obligations to make payments of amounts then due hereunder, nor shall such causes or contingencies relieve any party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on, and like notice shall be given upon termination of such force majeure conditions

ARTICLE XIV - WARRANTY OF TITLE

Seller represents and warrants that it has full right and

authority to enter into this Contract, that Seller has title to the gas sold and delivered hereunder, and Seller further warrants that all such gas is owned by Seller free from all liens and adverse claims, including liens to secure payment of production taxes, severance taxes, and other taxes. Seller shall at all times have the obligation to make settlements for all royalties due and payments to the mineral and royalty owners under Seller's leases, and other documents, as may appear of record or otherwise be binding upon Seller, and in accordance with the terms of the respective leases, and to make settlements with all other persons having any interest in the gas sold hereunder, and Seller agrees to indemnify Buyer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any or all persons to said gas or to royalties, taxes, license fees or charges thereon which are applicable before the title passes to Buyer or which may be levied and assessed upon the sale thereof to Buyer. In the event of any adverse claim of any character whatsoever being asserted in respect to any of said gas, Buyer may retain, as security for the performance of Seller's obligations with respect to such claim under this section, the purchase price thereof up to the amount of such claim without interest until such claim has been finally determined or until Seller shall have furnished bond to Buyer conditioned for the protection of Buyer with

respect to such claim.

ARTICLE XV - GAS RESERVES OF SELLER

1. Seller dedicates to the performance of this Contract all gas reserves from the Nisku member of the Winterburn formation of the Devonian system (D₂) and the Leduc member of the Woodbend formation of the Devonian system (D₃) in, under and covered by the leases and lands described in Exhibit A hereto and Seller agrees to make available to Buyer therefrom sufficient gas to ensure performance of this Contract to the extent that such gas reserves are allocated by the Petroleum and Natural Gas Conservation Board of Alberta to Buyer

2. Commencing in the year 1960, prior to July 1 of such year and each even numbered year thereafter during the term hereof, Seller and Buyer, or Buyer's representative will conduct a joint study of Seller's gas reserves and the deliverability of such gas reserves underlying the leases and lands set forth in Exhibit "A" hereto to determine whether or not Seller is capable of performance under the terms and provisions of this Contract, or whether Seller has dedicated to the performance hereof gas reserves with deliverability in excess of that required for Seller to be capable of performance under the terms and provisions of this Contract. In the event Seller and Buyer are unable to agree upon the amount of gas reserves dedicated hereto or the deliverability of such gas reserves, or both, the matter in question shall be submitted to arbitration as follows:

In the event Seller so desires, Seller may deliver written notice to Buyer at any time prior to each of the July 1 dates referred to above that Seller wishes to dispense with the joint study of Seller's gas reserves and deliverability and arbitrate Seller's reserves and deliver-

ability commencing on such applicable July 1.

Seller and Buyer or representatives of Seller and Buyer shall agree upon a third party, which third party may be the Petroleum and Natural Gas Conservation Board of Alberta. If within thirty (30) days Seller and Buyer or their representatives are unable to agree upon such third party, the Petroleum and Natural Gas Conservation Board of Alberta shall automatically constitute the third party. The three parties so chosen will proceed immediately to determine not later than September 15 the matter in question in accordance with the Principles of Arbitration as set out in the last two (2) paragraphs of Article XVI hereof.

In the event it is determined by the parties hereto or the arbitrators in any of the joint studies provided for above that Seller has dedicated gas reserves with deliverability in excess of that required for Seller to perform according to the terms and provisions of this Contract, Buyer will, at the request of Seller, release from dedication hereto the gas reserves which are not required for such performance by Seller.

In the event it is determined by the parties hereto or the arbitrators in any of the studies provided for above that Seller's gas reserves or deliverability of such gas reserves dedicated hereto is insufficient to enable Seller to perform according to the terms and provisions of this Contract, Buyer shall have the right to invoke the terms and provisions of Section 6 of Article IV hereof.

3. Seller shall, from time to time, at Buyer's request, furnish to Buyer such geological, engineering and production data available to Seller as may be needed for a study of the gas reserves and deliverability thereof, including electrical logs, core analyses and any and all information pertaining to such wells.

ARTICLE XVI - ARBITRATION

Except as herein otherwise provided, if the parties both agree, any controversy arising out of this Contract may be submitted to arbitration and if arbitration is agreed upon, the following principles shall apply:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall name an arbitrator and the two arbitrators so named shall promptly thereafter choose a third. If either party shall fail to name an arbitrator within ten (10) days from such demand, then the second arbitrator shall be appointed by any Justice of the Trial Division of the Supreme Court of Alberta. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon written application by either party such third arbitrator shall be appointed by any Justice of the Trial Division of the Supreme Court of Alberta.

The arbitrators selected to act hereunder shall be

qualified by education and training to pass upon the particular question in dispute. Therefore, it is agreed that if an engineering question is involved, qualified engineers shall be appointed, if a legal question is involved, qualified lawyers shall be appointed, and similar procedure shall be followed in connection with other questions.

The board of arbitrators so chosen shall proceed immediately to hear and determine the question or questions in dispute. The decision of the board of arbitrators or majority thereof shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. In the event the board or majority thereof shall fail to make a decision within sixty (60) days after the appointment of the third arbitrator, new arbitrators may at the election of either party be chosen in like manner as if none had been previously selected.

The decision of the arbitrators shall be drawn up in writing and signed by the arbitrators or a majority of them and shall be final and binding as to the parties hereto and as to any question or questions so submitted to said arbitrators, and said parties shall abide by such decision and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators,

the compensation and expenses of the arbitrator named for the Seller shall be paid by Seller. The compensation and expenses of the arbitrator named for the Buyer shall be paid by the Buyer. The compensation of the third arbitrator shall be paid in equal proportions by the Buyer and the Seller.

ARTICLE XVII - MISCELLANEOUS PROVISIONS

1. Seller shall pay to the lessors and royalty owners all amounts and royalties due them on account of all gas produced and delivered hereunder.

2. Buyer shall not be required by any provision of this Contract to pay for any gas not taken by it unless Seller shall have such quantities of gas available for delivery.

3. It is agreed by the parties that the Seller shall have the right to assign to another party or parties the right and obligation as in this Contract contained, to construct, own and operate Seller's facilities, including the gas processing plant, in which case the obligations of the Seller under this Contract relating to Seller's facilities shall be capable of complete assignment and such obligations shall cease to be the obligations of the Seller. If the Seller desires to assign voluntarily the rights and obligations contemplated by this paragraph, whether before or after such facilities are constructed, then it shall first obtain the written consent of the Buyer

to such assignment, provided that such consent shall not be unreasonably withheld. However, if the right to construct or own or operate the Seller's facilities, including the gas processing plant, is forced, granted or ordered, partially or completely, to some other person, firm or corporation than the Seller by reason of any type of governmental or regulatory action, then the consent of the Buyer shall not be required.

4. No waiver by Buyer or Seller of any default by the other under this Contract shall operate as a waiver of a future default, whether of a like or different character.

5. This Agreement shall bind and inure to the respective successors and assigns of the parties hereto. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

6. The headings used throughout this Contract are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any Article nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

7. Every request, notice, statement or bill provided for in this Contract shall be in writing directed to the party to whom

given, made or delivered at such party's address as follows:

SELLER: Home Oil Company Limited
304 - 6th Avenue West
Calgary, Alberta

BUYER: Trans-Canada Pipe Lines Limited
Post Office Box Number 500
Calgary, Alberta

Any notice mailed by registered mail shall be deemed to have been given to and received by the addressee twenty-four (24) hours after the mailing thereof, or the next day that the Calgary office of the party receiving the notice is open for business if the day on which the notice would otherwise be deemed to have been received is a Saturday, Sunday or a holiday observed by such party, and in the event that the same is delivered, as soon as such delivery has been made to the party's address, as hereinbefore set out. Either party may change its address by giving written notice to the other party, provided, however, in no event shall Buyer be obligated to pay for gas purchased hereunder at a point outside of Canada or in funds other than Canadian funds.

8. This Contract shall be construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF this Agreement has been properly executed by the parties hereto with the corporate seal of

each having been properly affixed and attested on the day and year
first above written.

HOME OIL COMPANY LIMITED

By "R. A. Brown Jr."
"President" C/S
"J. W. Hamilton"
"Secretary"

"SELLER"

TRANS-CANADA PIPE LINES LIMITED

By "N. E. Tanner"
President
"J. C. Saks" C/S
Assistant Secretary

"BUYER"

EXHIBIT "A"

Crown lands in proposed Nevis Unit in which Home Oil Company Limited has an interest.

LEASE ALLOCATION	LEGAL DESCRIPTION	NO. OF ACRES	LEASE NO.	DATE OF LEASE
Cr. (P&NG)	W 1/2 2-39-22-W4	326	73827	Feb. 27/48
Cr. (P&NG)	E 1/2 4-39-22-W4	324	73828	Feb. 27/48
Cr. (P&NG)	E 1/2 10-39-22-W4	320	73830	Feb. 27/48
Cr. (P&NG)	E 1/2 11-39-22-W4	322	73832	Feb. 27/48
Cr. (P&NG)	E 1/2 12-39-22-W4	320	73834	Feb. 27/48
Cr. (P&NG)	W 1/2 14-39-22-W4	322	73836	Feb. 27/48
Cr. (P&NG)	S 1/2 22-39-22-W4	320	73838	Feb. 27/48
Cr. (P&NG)	E 1/2 24-39-22-W4	320	73840	Feb. 27/48
Cr. (P&NG)	NE 1/4 22-39-22-W4	160	73841	Feb. 27/48
Cr. (P&NG)	NE 1/4 2-40-22-W4	160	73844	Feb. 27/48
Cr. (P&NG)	W 1/2 2-40-22-W4	320	73845	Feb. 27/48
Cr. (P&NG)	All of 11-40-22-W4	640 Pt.	73846	Feb. 27/48
Cr. (P&NG)	All of 14-40-22-W4	640	73847	Feb. 27/48
Cr. (P&NG)	NW 1/4 22-39-22-W4	160	91629	Sept. 15/52
Cr. (P&NG)	NE 1/4 26-39-22-W4	161	91630	Sept. 15/52
Cr. (P&NG)	All of 32-39-21-W4	642	99450	Feb. 12/54
Cr. N, G. Lease	All of 30-39-21-W4 E 1/2 6 & all of 18- 40-21-W4 N 1/2 36-39-22-W4 All of 12-40-22-W4 All of 34-39-22-W4 All of 4-12-40-W4	3844 Pt.	NG-281	June 11/56

Freehold lands in proposed Nevis Unit in which Home Oil Company Limited has an interest.

LEASE ALLOCATION	LEGAL DESCRIPTION	NO. OF ACRES	LEASE NO. AND DATE OF LEASE
Fr. Hold (P&NG)	NW 1/4 8-39-22-W4	160	Sutley Feb. 26/48
Fr. Hold (P&NG)	SE 1/4 8-39-22-W4	157.99	Milne May 5/50
Fr. Hold (P&NG)	SW 1/4 8-39-22-W4	160	H.B.C. Oct. 16/53
Fr. Hold (P&NG)	NE 1/4 8-39-22-W4	160	Cr. Trust Feb. 28/51
Fr. Hold (N.G.)	NE 1/4 17-39-21-W4	160	Marshall Dec. 1/53
Fr. Hold (N.G.)	NW 1/4 1-40-22-W4	160	Barritt Aug. 12/54
Fr. Hold(N.G.)	NE 1/4 1-40-22-W4 Undiv.)		Barritt - May 17/54
	1/2 int.)	143.95	
Fr. Hold(N.G.)	NE 1/4 1-40-22-W4 each)		Barritt - May 1/53
Fr. Hold	SW 1/4 23-39-22-W4	160	116-S-149 193-1-149 Mar. 28/52
Fr. Hold	S 1/2 of SE 1/4 35- 39-22-W4	80	5-1-141 4-1-141 July 10/52

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EXHIBIT "B"

This memorandum outlines in general terms the project of Buyer.

The cross-Canada line extending eastward from the Saskatchewan Gate to Toronto, Ontario and Montreal, Quebec falls roughly into six sections:

- (a) A 34" line from the Saskatchewan Gate to a point near Winnipeg, Manitoba;
- (b) A 30" line from said point near Winnipeg to a point on the Manitoba-Ontario boundary;
- (c) A 30" line from said point on the Manitoba-Ontario boundary to a point near Kapuskasing, Ontario;
- (d) A 30" line from said point near Kapuskasing, Ontario to a point known as Toronto Junction;
- (e) A 24" line from Toronto Junction to Sheridan, Ontario; and
- (f) A 20" line from Toronto Junction to a point near Montreal, Quebec;

Two main spur lines are also planned:

- (g) A 12" line from Morrisburg, Ontario to Ottawa; and
- (h) A 24" line from the point near Winnipeg mentioned above to a point on the International Canada - U.S.A. Boundary near Emerson, Manitoba.

The route of all of the above lines is to be as authorized in presently existing Permits which Buyer holds from The Board of Transport Commissioners for Canada.

The lines referred to above as (a) (b) (d) (e) (f) and (g) comprise the Initial Pipe Line which the Buyer proposes to finance in the first instance. Construction of (a) commenced June, 1956 and it is planned that (a) (b) and that portion of (c) extending from the Manitoba-Ontario boundary to a point near Port Arthur and Fort William, Ontario will be completed during the 1957 construction season and that the remainder of (c) and (d) (e) (f) and (g) will be completed during the 1958 construction season.

By way of capital financial assistance the Government of Canada joined by the Government of Ontario has agreed to construct (c) through a Crown Corporation. This line built by the Crown Corporation will be leased to Buyer for operation, with an option to Buyer to purchase the same.

Buyer also proposes to finance and construct (h) following receipt of necessary approval from U.S. authorities by Midwestern Gas Transmission Company for the sale of gas by Buyer to that Company on the International Boundary near Emerson, Manitoba. In addition, in the event necessary approval from U.S. authorities is received by Tennessee Gas Transmission Company in time, Buyer will construct (e) and (f) during the construction season of 1957 and supply through that line gas purchased from that Company at the International Boundary near Niagara Falls, Ontario to the Montreal area during the interim until Alberta gas is available for such purpose.

Buyer proposes to commence service to each market as the same is reached during construction.

Home Oil Company Limited
Nevis Field
EXHIBIT "C"

	A	B	C	D	E
1 Nov. 1957 to 1 Nov. 1958					
1 Nov. 1958 to 1 Nov. 1959					
1 Nov. 1959 to 1 Nov. 1960	10,400	6,400	248,500	152,800	9,360
1 Nov. 1960 to 1 Nov. 1961	11,000	5,900	325,300	173,000	9,900
1 Nov. 1961 to 1 Nov. 1962	13,000	6,360	382,000	195,700	11,700
1 Nov. 1962 to 1 Nov. 1963	14,760	7,520	433,000	220,700	12,400

Column A - Seller's maximum daily quantity.

Column B - Seller's minimum daily quantity.

Column C - Buyer's total pipeline maximum daily quantity excluding Pincher Field.

Column D - Buyer's total pipeline minimum daily quantity excluding Pincher Field.

Column E - Seller's highest attainable minimum daily quantity.

The quantities set out in the columns shown above are expressed in MCF measured at 14.4 p.s.i.a.

SUMMARY OF GAS PURCHASE CONTRACTS

of

TRANS-CANADA PIPE LINES LIMITED

AS OF 1 FEBRUARY, 1958

SELLER: Bailey Selburn Oil & Gas Ltd. et al

FIELD: Bindloss

Date of Contract: 19 December 1955, amended 11 December 1956. .

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 725 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	4,850	1,290	
1 Nov. 1958/59	4,870	2,660	4,380
1 Nov. 1959/60	4,870	2,700	4,380
1 Nov. 1960/61	4,875	2,700	4,390
1 Nov. 1961/62	5,960	3,070	5,360
1 Nov. 1962/63	8,570	4,370	7,200
And thereafter	8,570	7,200	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Export Gas Ltd. et al

FIELD: Bindloss

Date of Contract: 10 January 1956, amended 15 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 725 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	8,000	2,130	
1 Nov. 1958/59	8,060	4,400	7,200
1 Nov. 1959/60	8,060	4,470	7,200
1 Nov. 1960/61	8,060	4,470	7,200
1 Nov. 1961/62	9,860	5,075	8,870
1 Nov. 1962/63	14,170	7,220	11,900
And thereafter	14,170	11,900	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited.

FIELD: Bindloss.

Date of Contract: 29 July, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 725 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	150	40	135
1 Nov. 1958/59	150	80	135
1 Nov. 1959/60	150	80	135
1 Nov. 1960/61	150	80	135
1 Nov. 1961/62	180	90	160
1 Nov. 1962/63	260	130	215
And thereafter	260	215	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Twelve cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 17.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Delhi Oil Ltd.

FIELD: Provost

Date of Contract: 1 December, 1955, amended 8 December, 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	1,140	300	
1 Nov. 1958/59	1,460	790	1,315
1 Nov. 1959/60	1,730	1,080	1,560
1 Nov. 1960/61	1,730	920	1,560
1 Nov. 1961/62	1,730	880	1,560
1 Nov. 1962/63	1,800	900	1,500
And thereafter	1,800	1,500	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Dome Exploration (Western) Limited assigned to Provo Gas Producers Limited.

FIELD: Provost.

Date of Contract: 22 November 1955, amended 31 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	8,400	2,200	
1 Nov. 1958/59	10,700	5,700	9,600
1 Nov. 1959/60	12,700	7,800	12,200
1 Nov. 1960/61	12,700	6,700	11,900
1 Nov. 1961/62	12,700	6,400	11,400
1 Nov. 1962/63	13,200	6,500	10,800
And thereafter	13,200	10,800	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Provost

Date of Contract: 21 December, 1955, amended 7 December, 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	2,285	600	
1 Nov. 1958/59	2,900	1,580	1,950
1 Nov. 1959/60	3,450	2,150	3,100
1 Nov. 1960/61	3,450	1,835	3,100
1 Nov. 1961/62	3,450	1,750	3,100
1 Nov. 1962/63	3,585	1,790	3,000
And thereafter	3,585	3,000	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Imperial Oil Limited assigned to Provo Gas Producers Limited.

FIELD: Provost.

Date of Contract: 12 December 1955, amended 31 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	24,500	6,500	
1 Nov. 1958/59	31,200	16,800	28,100
1 Nov. 1959/60	36,900	22,900	35,700
1 Nov. 1960/61	36,900	19,600	34,300
1 Nov. 1961/62	36,900	18,700	33,600
1 Nov. 1962/63	38,400	19,100	31,800
And thereafter	38,400	31,800	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Merrill Petroleums Limited assigned to Provo Gas Producers Limited.

FIELD: Provost

Date of Contract: 5 January 1956, amended 31 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	45	12	
1 Nov. 1958/59	55	33	50
1 Nov. 1959/60	65	40	59
1 Nov. 1960/61	65	35	63
1 Nov. 1961/62	65	33	60
1 Nov. 1962/63	70	34	57
And thereafter	70	57	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Calvin Consolidated Oil & Gas Company Limited.

FIELD: Provost.

Date of Contract: 6 January 1956, amended 4 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	5,200	1,350	
1 Nov. 1958/59	6,600	3,500	5,900
1 Nov. 1959/60	7,800	4,800	7,000
1 Nov. 1960/61	7,800	4,150	7,000
1 Nov. 1961/62	7,800	3,950	7,000
1 Nov. 1962/63	8,100	4,050	6,800
And thereafter	8,100	6,800	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company.

FIELD: Provost

Date of Contract: 11 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	1,800	450	
1 Nov. 1958/59	2,300	1,200	2,025
1 Nov. 1959/60	2,700	1,600	2,545
1 Nov. 1960/61	2,700	1,400	2,470
1 Nov. 1961/62	2,700	1,350	2,430
1 Nov. 1962/63	2,800	1,375	2,300
And thereafter	2,800	2,300	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canada Oil Lands Ltd. assigned to Provo Gas Producers Limited.

FIELD: Provost.

Date of Contract: 7 March 1956, amended 6 March 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	45	12	
1 Nov. 1958/59	55	33	50
1 Nov. 1959/60	65	40	59
1 Nov. 1960/61	65	35	59
1 Nov. 1961/62	65	33	59
1 Nov. 1962/63	70	34	59
And thereafter	70	59	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Pacific Petroleums Ltd.

FIELD: Provost.

Date of Contract: 14 December, 1955, amended 15 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	240	65	
1 Nov. 1958/59	305	165	270
1 Nov. 1959/60	360	225	340
1 Nov. 1960/61	360	190	340
1 Nov. 1961/62	360	180	320
1 Nov. 1962/63	375	185	305
And thereafter	375	305	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Lincoln-McKay Development Company Ltd.

FIELD: Provost

Date: 1 November, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	160	40	
1 Nov. 1958/59	200	110	180
1 Nov. 1959/60	240	150	215
1 Nov. 1960/61	240	125	215
1 Nov. 1961/62	240	120	215
1 Nov. 1962/63	250	125	210
And thereafter	250	210	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Twelve cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 17.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Barlow Development Ltd.

FIELD: Provost

Date of Contract: November 1, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3)

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58	160	40	
1 Nov. 1958/59	200	110	180
1 Nov. 1959/60	240	150	215
1 Nov. 1960/61	240	125	215
1 Nov. 1961/62	240	120	215
1 Nov. 1962/63	250	125	210
And thereafter	250	210	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Twelve cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 17.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Sun Oil Company et al.

FIELD: Sibbald.

Date of Contract: 1 February 1956, amended 22 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	3,600	1,960	3,300
1 Nov. 1959/60	3,500	2,150	3,375
1 Nov. 1960/61	3,750	2,000	3,450
1 Nov. 1961/62	4,400	2,260	4,000
1 Nov. 1962/63	5,000	2,550	4,200
And thereafter	5,000	4,200	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Oyen

Date of Contract: 2 February 1956, amended 7 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	1,010	551	675
1 Nov. 1959/60	975	606	685
1 Nov. 1960/61	1,044	557	700
1 Nov. 1961/62	1,218	634	800
1 Nov. 1962/63	1,393	710	850
And thereafter	1,393	850	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The Ohio Oil Company

FIELD: Oyen

Date of Contract: 6 May 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	920	500	828
1 Nov. 1959/60	890	560	801
1 Nov. 1960/61	950	510	855
1 Nov. 1961/62	1,110	570	999
1 Nov. 1962/63	1,270	650	1,067
And thereafter	1,270	1,067	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Cessford

Date of Contract: 2 December 1955, amended 7 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	46,250	25,100	41,600
1 Nov. 1959/60	52,800	32,800	47,500
1 Nov. 1960/61	52,800	28,000	47,500
1 Nov. 1961/62	52,800	26,700	47,500
1 Nov. 1962/63	53,500	26,700	45,000
And thereafter	53,500	45,000	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Delhi Oil Ltd.

FIELD: Cessford

Date of Contract: 2 December 1955, amended 8 December 1956.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	41,680	22,670	37,510
1 Nov. 1959/60	47,590	29,612	42,830
1 Nov. 1960/61	47,600	25,300	42,840
1 Nov. 1961/62	47,600	24,090	42,840
1 Nov. 1962/63	48,220	24,060	40,500
And thereafter	48,220	40,500	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Export Gas Ltd. et al.

FIELD: Cessford.

Date of Contract: 23 November 1955, amended 11 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 750 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	14,080	7,660	12,670
1 Nov. 1959/60	16,080	10,000	14,470
1 Nov. 1960/61	16,080	8,550	14,470
1 Nov. 1961/62	16,080	8,140	14,470
1 Nov. 1962/63	16,290	8,130	13,680
And thereafter	16,290	13,680	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Fargo Oils Ltd.

FIELD: Cessford.

Date of Contract: 11 April 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	19	10	17
1 Nov. 1959/60	22	13	18
1 Nov. 1960/61	22	12	18
1 Nov. 1961/62	22	11	18
1 Nov. 1962/63	22	11	18
And thereafter	22	18	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Royalite Oil Company, Limited.

FIELD: Cessford.

Date of Contract: 22 April 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	418	227	376
1 Nov. 1959/60	477	297	429
1 Nov. 1960/61	477	254	429
1 Nov. 1961/62	477	242	429
1 Nov. 1962/63	484	241	407
And thereafter	484	407	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company.

FIELD: Princess-Patricia.

Date of Contract: 2 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 750 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	7,000	3,800	6,300
1 Nov. 1959/60	6,800	4,200	6,500
1 Nov. 1960/61	7,600	3,875	6,700
1 Nov. 1961/62	8,600	4,400	7,750
1 Nov. 1962/63	9,700	4,950	8,150
And thereafter	9,700	8,150	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Export Gas Ltd. et al.

FIELD: Atlee Buffalo.

Date of Contract: 15 February 1956, amended 6 February 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 750 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	8,650	4,700	7,850
1 Nov. 1959/60	8,450	5,200	8,150
1 Nov. 1960/61	9,000	4,800	8,300
1 Nov. 1961/62	10,600	5,450	9,600
1 Nov. 1962/63	12,000	6,150	10,150
And thereafter	12,000	10,150	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The British American Oil Company Limited.

FIELD: Pincher Creek.

Date of Contract: 18 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: At single point in field or at tail gate of Seller's gas treatment plant.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities.

	<u>(1) Maximum</u>	<u>(2) Minimum</u>
1 Nov. 1957/58		
1 Nov. 1958/59	100,000	50,000
1 Nov. 1959/60	125,000	75,000
1 Nov. 1960/61	125,000	75,000
1 Nov. 1961/62	160,000	96,000
1 Nov. 1962/63	160,000	128,000
And thereafter	160,000	128,000

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Pipelines & Petroleum Ltd.

FIELD: Nevis.

Date of Contract: 4 February, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day).
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	550	340	495
1 Nov. 1960/61	590	320	530
1 Nov. 1961/62	700	340	630
1 Nov. 1962/63	790	400	660
And thereafter	790	660	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Home Oil Company Limited

FIELD: Nevis

Date of Contract: 18 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	10,400	6,400	9,360
1 Nov. 1960/61	11,000	5,900	9,900
1 Nov. 1961/62	13,000	6,360	11,700
1 Nov. 1962/63	14,760	7,520	12,400
And thereafter	14,760	12,400	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company

FIELD: Nevis

Date of Contract: 2 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	(1) Maximum	(2) Minimum	(3)
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	7,850	4,800	7,500
1 Nov. 1960/61	8,375	4,400	7,600
1 Nov. 1961/62	9,850	4,800	8,400
1 Nov. 1962/63	11,200	5,675	9,300
And thereafter	11,200	9,300	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The British American Oil Company Limited

FIELD: Nevis.

Date of Contract: 18 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	11,000	6,800	10,600
1 Nov. 1960/61	11,800	6,300	10,900
1 Nov. 1961/62	13,900	6,800	11,900
1 Nov. 1962/63	15,750	8,000	13,150
And thereafter	15,750	13,150	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: New Superior Oils of Canada Limited

FIELD: Nevis

Date: 21 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	2,880	1,780	2,590
1 Nov. 1960/61	3,080	1,640	2,770
1 Nov. 1961/62	3,630	1,770	3,270
1 Nov. 1962/63	4,100	2,100	3,450
And thereafter	4,100	3,450	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Superior Oil of California Ltd.

FIELD: Nevis

Date of Contract: 18 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	2,170	1,340	1,950
1 Nov. 1960/61	2,320	1,240	2,090
1 Nov. 1961/62	2,730	1,330	2,460
1 Nov. 1962/63	3,100	1,580	2,600
And thereafter	3,100	2,600	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Nevis

Date of Contract: 14 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p. s. i. g.

Measurement: AGA #3 (1955) at 14.4 p. s. i. a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	430	270	390
1 Nov. 1960/61	460	250	420
1 Nov. 1961/62	550	270	500
1 Nov. 1962/63	620	315	520
And thereafter	620	520	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nations: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Imperial Oil Limited

FIELD: Nevis

Date of Contract: 30 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	890	550	800
1 Nov. 1960/61	950	500	855
1 Nov. 1961/62	1,120	550	1,000
1 Nov. 1962/63	1,260	650	1,060
And thereafter	1,260	1,060	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Sun Oil Limited

FIELD: Nevis

Date of Contract: 28 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60	360	220	325
1 Nov. 1960/61	390	200	350
1 Nov. 1961/62	450	220	400
1 Nov. 1962/63	520	265	440
And thereafter	520	440	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation. Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Sun Oil Company and R.I. Smith & Son.

FIELD: Countess-Duchess.

Date of Contract: 23 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	1,102	558	992
1 Nov. 1961/62	1,171	593	1,054
1 Nov. 1962/63	1,566	792	1,315
And thereafter	1,566	1,315	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Sun Oil Company, Merrill Petroleums Limited and Canadian Export Gas Ltd.

FIELD: Countess-Duchess.

Date of Contract: 25 January 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	1,743	882	1,569
1 Nov. 1961/62	1,851	937	1,666
1 Nov. 1962/63	2,476	1,253	2,080
And thereafter	2,476	2,080	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Sun Oil Company and Canadian Delhi Oil Ltd.

FIELD: Countess-Duchess.

Date of Contract: 23 January, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	1,813	917	1,632
1 Nov. 1961/62	1,925	974	1,732
1 Nov. 1962/63	2,575	1,303	2,163
And thereafter	2,575	2,163	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Delhi Oil Ltd.

FIELD: Countess - Duchess

Date of Contract: 23 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 775 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	1,670	845	1,503
1 Nov. 1961/62	1,773	897	1,596
1 Nov. 1962/63	2,372	1,200	1,992
And thereafter	2,372	1,992	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Mill City Petroleums Limited et al

FIELD: Kessler

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: At the Field Collection Point in the Provost Field.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	2,698	1,365	2,428
1 Nov. 1961/62	2,864	1,449	2,578
1 Nov. 1962/63	3,757	1,901	3,156
And thereafter	3,757	3,156	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Kessler

Date of contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: At the Field Collection Point in the Provost Field

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 800 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	603	305	543
1 Nov. 1961/62	641	324	577
1 Nov. 1962/63	840	425	706
And thereafter	840	706	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company

FIELD: Homeglen - Rimbey

Date of Contract: 2 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov, 1957/58			
1 Nov, 1958/59			
1 Nov, 1959/60			
1 Nov, 1960/61	24,100	12,800	22,100
1 Nov, 1961/62	27,100	13,700	24,600
1 Nov, 1962/63	38,300	19,100	31,800
And thereafter	38,300	31,800	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company.

FIELD: Homeglen-Rimbey

Date of Contract: 24 May, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)

		<u>Minimum</u>	<u>Maximum</u>
(i)	1 Nov. 1960 to 1 Nov. 1961	5,000	10,000
(ii)	1 Nov. 1961 to 1 Nov. 1962	6,500	10,000
(iii)	1 Nov. 1962 to 1 Nov. 1963 and each twelve months period thereafter to expiration date.	7,500	10,000

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None. .

Price: Twelve cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 17.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Western Decalta Petroleum Limited et al

FIELD: Homeglen - Rimbey

Date of Contract: 29 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon,

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	2,880	1,520	2,592
1 Nov. 1961/62	3,224	1,632	2,896
1 Nov. 1962/63	4,560	2,272	3,832
And thereafter	4,560	3,832	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Oil Companies Limited

FIELD: Homeglen - Rimbey

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurements: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	2,360	1,260	2,120
1 Nov. 1961/62	2,660	1,350	2,400
1 Nov. 1962/63	3,760	1,870	3,160
And thereafter	3,760	3,160	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Amurex Oil Company

FIELD: Homeglen - Rimbey

Date of Contract: 20 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	630	330	570
1 Nov. 1961/62	700	360	630
1 Nov. 1962/63	1,000	500	840
And thereafter	1,000	840	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Imperial Oil Limited

FIELD: Homeglen - Rimbey

Date of Contract: 30 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	5,340	2,840	4,800
1 Nov. 1961/62	6,000	3,030	5,400
1 Nov. 1962/63	8,480	4,230	7,120
And thereafter	8,480	7,120	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Homeglen - Rimbey

Date of Contract: 14 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
 The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	620	330	560
1 Nov. 1961/62	700	350	630
1 Nov. 1962/63	1,000	500	840
And thereafter	1,000	840	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The British American Oil Company Limited

FIELD: Homeglen - Rimbey

Date of Contract: 6 February, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon,

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	9,470	5,000	8,520
1 Nov. 1961/62	10,640	5,390	9,580
1 Nov. 1962/63	15,100	7,500	12,680
And thereafter	15,100	12,680	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Seaboard Oil Company

FIELD: Gilby

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	843	450	760
1 Nov. 1961/62	1,000	513	900
1 Nov. 1962/63	1,127	577	947
And thereafter	1,127	947	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Honolulu Oil Corporation

FIELD: Gilby

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov, 1957/58			
1 Nov, 1958/59			
1 Nov, 1959/60			
1 Nov, 1960/61	843	450	760
1 Nov, 1961/62	1,000	513	900
1 Nov, 1962/63	1,127	577	947
And thereafter	1,127	547	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Taxes: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Merrill Petroleum Limited

FIELD: Gilby Gas Field

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon,

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	506	270	456
1 Nov. 1961/62	600	308	540
1 Nov. 1962/63	676	346	568
And thereafter	676	568	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Merrill Holdings Limited

FIELD: Gilby Gas Field

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	337	180	304
1 Nov. 1961/62	400	205	360
1 Nov. 1962/63	451	231	379
And thereafter	451	379	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Pipelines & Petroleums Ltd.

FIELD: Gilby

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	424	226	382
1 Nov. 1961/62	500	258	450
1 Nov. 1962/63	566	290	475
And thereafter	566	475	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The California Standard Company

FIELD: Gilby

Date of Contract: 2 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	3,150	1,660	2,875
1 Nov. 1961/62	3,675	1,900	3,350
1 Nov. 1962/63	4,175	2,130	3,525
And thereafter	4,175	3,525	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Canadian Superior Oil of California Ltd.

FIELD: Gilby

Date of Contract: 18 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	670	360	600
1 Nov. 1961/62	790	408	710
1 Nov. 1962/63	890	460	750
And thereafter	890	750	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Hudson's Bay Oil and Gas Company Limited

FIELD: Gilby

Date of Contract: 14 January, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	1,500	800	1,350
1 Nov. 1961/62	1,800	925	1,620
1 Nov. 1962/63	2,020	1,040	1,700
And thereafter	2,020	1,700	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: The British American Oil Company Limited

FIELD: Gilby

Date of Contract: 6 February, 1957

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller

Pressure: As required by Buyer, not to exceed 900 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59			
1 Nov. 1959/60			
1 Nov. 1960/61	2,000	1,060	1,802
1 Nov. 1961/62	2,359	1,219	2,120
1 Nov. 1962/63	2,671	1,367	2,244
And thereafter	2,671	2,244	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

SELLER: Tennessee Gas Transmission Company.

FIELD: Chancellor, Hussar and South Rosebud areas.

Date of Contract: 6 February, 1957.

Term: 25 years from date of first delivery or expiration of Buyer's Alberta permit, whichever first occurs.

Point of Delivery to Trunk Line: Point or points within field to be agreed upon.

Dehydration: By Seller.

Pressure: As required by Buyer, not to exceed 850 p.s.i.g.

Measurement: AGA #3 (1955) at 14.4 p.s.i.a.

Quantity: (Mcf per day)
The following maximum and minimum quantities, with provision that if Buyer's market grows the minimum quantities will increase proportionately up to the limits shown in Column (3):

	<u>(1) Maximum</u>	<u>(2) Minimum</u>	<u>(3)</u>
1 Nov. 1957/58			
1 Nov. 1958/59	16,000	10,560	13,440
1 Nov. 1959/60	16,000	11,530	13,440
1 Nov. 1960/61	16,000	11,420	13,440
1 Nov. 1961/62	16,000	11,900	13,440
1 Nov. 1962/63	16,000	11,900	13,440
And thereafter	16,000	13,440	

Determination of Reserves: Joint redetermination commencing in 1960 and every two years thereafter.

Dedication: As outlined in Exhibit A.

Prior Commitments: None.

Price: Ten cents per Mcf through December 31, 1959, thereafter increasing one-quarter cent each calendar year to 15.75 cents per Mcf for the year 1982 and thereafter.

Favored Nation: Weighted average price after 1968.

Tax: 1/2 increase or new taxes excluding income, franchise, or like taxes.

THIS INDENTURE made this "29th" day of "January"

A.D. 1957.

B E T W E E N:

THE ALBERTA GAS TRUNK LINE COMPANY LIMITED,
a body corporate with head office at the
City of Calgary in the Province of Alberta
hereinafter referred to as "Trunk Line"

OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED, a body
corporate with head office at the City
of Calgary, aforesaid, hereinafter referred
to as "Trans-Canada"

OF THE SECOND PART

WHEREAS the parties hereto have agreed that Trunk Line shall
transport gas for Trans-Canada within the Province of Alberta on the
terms and conditions herein set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH and the parties agree
as follows:

(1) The following words and terms, wherever used in this agreement
shall have the following meaning:

(a) The word "day" shall mean a period of twenty-four (24)
consecutive hours, beginning and ending at 8:00 o'clock a.m.
Mountain Standard Time, or at such other time as may hereafter
be mutually agreed upon by the parties hereto.

(b) The word "month" shall mean a period beginning at 8:00
o'clock a.m. on the first day of a calendar month and ending
at 8:00 a.m. on the first day of the next succeeding calendar
month.

(c) The word "gas" shall include natural gas and residue gas.

(d) The term "Mcf" shall mean One Thousand (1,000) cubic feet of gas as determined on the measurement basis set forth in paragraphs ten and eleven hereof.

(e) The term "BTU" shall mean British Thermal Unit.

(2) Trunk Line will construct the gas gathering and gas transmission system generally described in the location map of the said system which is attached hereto as Schedule "A", a composite flow study diagram of which system is attached hereto as Schedule "B", and in accordance with Permit No. 1 dated December 29, 1955, granted to Trunk Line by the Minister of Highways of the Province of Alberta as amended by Amendment to Permit No. 1 dated March 23, 1956, by the said Minister and as may be further amended by the said Minister from time to time.

The said gathering and transmission system shall be constructed by Trunk Line in four stages, the said stages and time of completion of construction thereof, exclusive of purging and testing being:

(a) Stage 1 shall consist of only such part of the said system as is necessary to take delivery of gas from the Bindloss field and the Provost area, construction to be completed on or before September 1, 1957.

(b) Stage 2 shall consist of only such part of the said system in addition to the portion thereof constructed during Stage 1 as is necessary to take delivery of gas from the Sibbald, Oyen, Cessford-Sunnynook, Princess-Patricia, Atlee-Buffalo and Pincher Creek fields, construction to be completed on or before September 1, 1958.

(c) Stage 3 shall consist of only such parts of the said system in addition to the portions thereof constructed during stages 1 and 2 as is necessary to take delivery of gas from the Nevis field, construction to be completed on or before September 1, 1959.

(d) Stage 4 shall consist of only such part of the said system in addition to the portions thereof constructed during Stages 1, 2 and 3 as is necessary to take delivery of gas from the Homeglen-Rimbey, Gilby and Countess-Duchess fields, construction to be completed on or before September 1, 1960.

(3) Forthwith after Trunk Line has completed the construction and testing of each stage of the gas gathering and gas transmission system referred to in paragraph two hereof, Trunk Line shall notify Trans-Canada in writing and within ten (10) days thereafter, or commencing on the first day of October of the year in which the said notice is given (whichever is the later date), Trans-Canada agrees to deliver, or cause to be delivered, to Trunk Line for transportation and Trunk Line agrees to accept from Trans-Canada for Trans-Canada's account and to transport for and deliver to Trans-Canada daily volumes of gas up to the capacity of the facilities from time to time constructed in each of the Stages 1, 2 and 3 referred to in paragraph two hereof as shown on Schedule "B" to this agreement and up to 620.0 Mmcf after construction of Stage 4 referred to in paragraph two hereof. The said volume of 620.0 Mmcf of gas in any one day shall be the contracted capacity in effect during the term of this agreement, provided, however, that Trunk Line shall not be obligated to accept from Trans-Canada more than the volumes of gas as shown on Schedule "B" to this agreement during any one day at each point of receipt.

(4) The field collection points for all gas received by Trunk Line from Trans-Canada for transportation shall be within the following described lands or at such other point or points as may be agreed upon:

<u>FIELD collection points</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Meridian</u>
Bindloss--South	13	22	4	W4
--North	27	22	4	W4
Sibbald	36	27	3	W4
Oyen	5	29	4	W4
Provost	25	36	5	W4
Atlee-Buffalo	23	20	7	W4
Princess	14	20	12	W4
Steveville	20	22	11	W4
Cessford	3	24	12	W4
Sunnynook	27	26	14	W4
Pincher Creek	14	24	29	W4
Nevis area	3	39	22	W4
Horneglen-Rimbey	36	42	2	W5
Countess	5	21	16	W4
Duchess	16	20	15	W4

Field collection points for fields not specifically mentioned in this paragraph shall be such as may be agreed upon from time to time.

(5) The delivery point for all gas to be delivered by Trunk Line to Trans-Canada shall be at the junction of the pipelines of Trunk Line and Trans-Canada located in:

North East Quarter, Section Eleven (11), Township 20, Range 1, West 4th Meridian, Province of Alberta.

(6) Trans-Canada agrees to deliver, or cause to be delivered, the gas to be transported hereunder to Trunk Line at such pressure as Trunk Line shall require from time to time, provided, however, that Trans-Canada shall not be obligated to deliver, or to cause to be delivered, gas from the various fields referred to in Schedule "B" hereto at pressure in excess of those shown in the said Schedule.

(7) Trunk Line agrees to deliver the gas to Trans-Canada, after transportation, as nearly as practicable at Trunk Line's line pressure provided that, subject to the performance by Trans-Canada of its covenants contained in paragraph six hereof, the said pressure shall not be less than 550 p.s.i.g.

(8) This contract shall continue and remain in force until the 14th day of May, A.D. 1981.

(9) The measurements and tests of the gas received and delivered hereunder shall be governed by the following:

(a) All measuring and testing equipment, devices and materials required herein at the points of receipt shall be of standard manufacture and of a type acceptable to Trans-Canada, and shall, with all related equipment, appliances and buildings be installed, maintained and operated or furnished, by Trunk Line at Trunk Line's expense.

(b) All measuring and testing equipment, devices and materials required herein at the point of delivery shall be of standard manufacture and of a type acceptable to Trunk Line, and shall, with all related equipment, appliances and buildings be installed, maintained and operated or furnished by Trans-Canada at Trans-Canada's expense.

(c) The accuracy of measuring and testing equipment installed shall be verified once each month at least and at other times upon request of either party. Notice of the time and nature of each test shall be given sufficiently in advance to permit

convenient arrangement for the other party's representative to be present. Measuring and testing equipment shall be tested by means and methods acceptable to both parties. Tests and adjustments shall be made in the presence of and observed by representatives of both parties, if present. If, after notice, either party fails to have a representative present, the results of the tests shall nevertheless be considered accurate until the next tests. For the purposes of this sub-paragraph the expression "representatives" shall include representatives of persons from whom Trans-Canada is purchasing gas from time to time for delivery to the facilities of Trunk Line.

(d) Tests of the quality of the gas for sulphur, hydrogen sulphide and water vapor content at points of receipt shall be made by Trunk Line when requested by Trans-Canada provided that Trunk Line shall not be required to make such tests more often than once daily. Trunk Line shall have the right to require Trans-Canada to remedy any deficiency of the gas in quality and, in the event such deficiency is not remedied, the right to require Trans-Canada to discontinue deliveries of such deficient gas until such deficiency is remedied.

Trunk Line shall at all times be entitled to refuse to accept delivery of gas which is deficient in the quality requirements hereof and thereby reduce the quantities of gas transported to the amount which Trans-Canada can deliver consistent with the quality requirements hereof.

(e) If at any time any of the measuring or testing equipment is

found to be out of service, or registering inaccurately in any percentage, it shall be adjusted at once to read as accurately as possible. If such equipment is out of service, or inaccurate by an amount exceeding two per cent (2%) at a reading corresponding to the average hourly rate of flow for the period since the last preceding test, the previous readings of such equipment shall be corrected to zero error for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of sixteen (16) days or one-half (1/2) of the elapsed time since the last test, whichever is shorter. The volume of gas delivered during such period shall be estimated by:

- (i) using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately;
- (ii) by correcting the error if the percentage of error is ascertainable by calibration test or mathematical calculation, or in the absence of both (i) and (ii) then
- (iii) by estimating the quantity, or quality, delivered based upon deliveries under similar conditions during a period when the equipment was registering accurately.

No correction shall be made for recorded inaccuracies of two per cent (2%) or less.

- (f) Each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or testing data of the other, at all times during business hours, but the reading, calibration and adjustment of

such equipment and changing of charts shall be done only by the party installing and furnishing the same. Representatives of persons from whom Trans-Canada is purchasing gas from time to time for delivery to the facilities of Trunk Line shall have a similar right of inspection but only of equipment, charts, and other measurement or testing data in relation to gas delivered by such person to the facilities of Trunk Line.

Unless the parties otherwise agree each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least twelve (12) months. Before destroying any such test data, charts and other similar records, the party holding same shall offer them for delivery to the other party.

(10) The standards of measurements and tests for the gas received and delivered hereunder shall be governed by the following:

(a) The unit of volume for purposes of measurement shall be one (1) cubic foot of gas at a temperature of 60° (sixty degrees) Fahrenheit and at a pressure of fourteen and four-tenths (14.4) psia. For the purposes of measurement and meter calibration the atmospheric pressure at the point of measurement hereunder shall be assumed to be constant at fourteen and four-tenths (14.4) psi.

(b) The transportation unit of the gas delivered hereunder shall be one thousand (1,000) cubic feet.

(c) The gas shall be measured at the point of receipt or delivery (as the case may be) by orifice meters installed and maintained, and volumes thereof shall be computed (except for correction for

deviation from Boyle's Law) in accordance with the methods prescribed in Gas Measurement Committee Report No. 3, Natural Gas Department, American Gas Association, including the Appendix thereto, as published April 1955 and any subsequent amendments thereof which are accepted by and agreed upon between the parties.

(d) Correction shall be made for deviation of the gas from Boyle's Law at the pressure and temperature at which the gas is delivered at the point of receipt or delivery hereunder, and the factors for correction for such deviation shall be computed in accordance with the Tables and methods set forth in the California Natural Gasoline Associations Bulletins Ts-402 and Ts-461, using the daily arithmetical averages of temperature, pressure and specific gravity.

(e) The specific gravity of the gas delivered at each point of receipt or the point of delivery shall be determined by the use of a recording gas gravitometer, installed so that it may properly record the specific gravity of all gas delivered at such point.

The gravimeters installed at the points of receipt shall be of a type approved by Trans-Canada and shall be installed, operated and maintained by Trunk Line. The gravitometer installed at the point of delivery shall be a type approved by Trunk Line and shall be installed, operated and maintained by Trans-Canada. The arithmetical average of specific gravity recorded each day at each such point shall be used in computing volumes of gas measured at such point.

(f) The flowing temperature of the gas delivered at each point of receipt or the point of delivery shall be determined by

means of a recording thermometer of standard make acceptable to both parties. The recording thermometers located at each point of receipt shall be installed and maintained by Trunk Line. The recording thermometer located at the point of delivery shall be installed and maintained by Trans-Canada. The arithmetical average of readings each day at each such point shall be deemed the gas temperature and used in computing the volumes of gas delivered at such point.

(g) The gross heating value per cubic foot of the gas at a temperature of sixty (60°) degrees Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two (32°) degrees Fahrenheit delivered at each point of receipt or the point of delivery shall be determined by the use of a standard recording calorimeter, installed so it may properly record at said point. The calorimeters installed at the points of receipt shall be of a type approved by Trans-Canada and shall be installed, operated and maintained by Trunk Line. The calorimeter installed at the point of delivery shall be of a type approved by Trunk Line and shall be installed, operated and maintained by Trans-Canada. The total heating value per cubic foot of the gas at each such point shall be determined for any month by taking the weighted arithmetical average of the heating value as recorded each day by the calorimeter at such point.

(h) Tests to determine sulphur and hydrogen sulphide content of gas at each point of receipt shall be made by Trunk Line, and at

the point of delivery by Trans-Canada, by approved standard methods in general use in the gas industry, and the water vapor content shall be determined by the use of a dew-point apparatus approved by the Bureau of Mines of the United States of America or other method mutually acceptable to the parties hereto.

(11) The gas which Trans-Canada delivers or causes to be delivered, to Trunk Line for transportation hereunder:

(a) Shall be commercially free from dust, gums, water, crude oil, hydrocarbons liquefiable at temperatures in excess of fifteen (15) degrees Fahrenheit at eight hundred (800) psia. impurities and other objectionable substances which may become separated from the gas and interfere with its transmission through pipe lines.

(b) Shall be commercially free from hydrogen sulphide, containing not more than one (1) grain of hydrogen sulphide per one hundred (100) cubic ft.

(c) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic ft.

(d) Shall not contain more than two per cent (2%) by volume of carbon dioxide.

(e) Shall have been dehydrated, if necessary, for removal of water present therein in a vapor state, so that it will in no event contain more than four (4) pounds of water vapor per one million (1,000,000) cubic feet of gas, when measured at a pressure of fourteen and four-tenths (14.4) psia and at a temperature of 60° (sixty degrees) Fahrenheit.

(f) Shall not exceed one hundred twenty (120°) degrees Fahrenheit in

temperature at the point of receipt.

(g) Shall have a gross heating value of not less than 950

BTU's per cubic ft.

(12) The gas which Trunk Line delivers to Trans-Canada, after transportation thereof, shall be of the same quality as the composite quality of the gas received by Trunk Line from or on behalf of Trans-Canada, subject only to such changes in quality as may result from the commingling of the gas so received by Trunk Line at the various points of receipt hereunder and the transportation of same in accordance with good pipe line practice. Trunk Line agrees not to process, treat or dilute the gas transported hereunder for the purpose of recovering any of the components thereof or to materially reduce the heating value thereof without the consent of Trans-Canada.

(13) (a) Trunk Line agrees to send to Trans-Canada all measuring and testing charts, data and information collected at each point of receipt as soon as practicable after daily collection thereof so that Trans-Canada can keep current information on the volumes, BTU content and quality of the gas delivered by suppliers of gas to Trans-Canada.

(b) On or before the 10th day of each month Trunk Line shall render a bill to Trans-Canada for service rendered during the preceding month. When information necessary for billing is in the control of Trans-Canada, Trans-Canada shall furnish such information to Trunk Line on or before the 5th day of each month.

(c) On or before the 20th day of each month Trans-Canada shall pay Trunk Line in lawful money of Canada at Trunk Line's office, Calgary, Alberta for the service rendered during the preceding

billing month as billed by Trunk Line.

(d) Should Trans-Canada fail to pay all of the amount of any bill when such amount is due, Trunk Line shall have the right to charge interest on the unpaid portion of the bill at the rate of Six (6%) per cent per year from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Trunk Line, in addition to any other remedy it may have, may suspend further receipt and delivery of gas until such amount is paid; provided, however, that if Trans-Canada in good faith shall dispute the amount of any such bill or part thereof and shall pay to Trunk Line such amounts as it concedes to be correct, then Trunk Line shall not be entitled to suspend further acceptance and delivery of gas.

(e) Both Trunk Line and Trans-Canada shall have the right to examine at reasonable times books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this paragraph.

(14) Deliveries of gas by Trans-Canada to Trunk Line for transportation, and deliveries of gas by Trunk Line to Trans-Canada, after transportation, shall be in as nearly equal hourly quantities as is practical.

(15) Trans-Canada will indemnify and save harmless Trunk Line from and against all claims of every nature and description, including Trunk Line's costs of disputing such claims or defending any actions in respect thereof, made against Trunk Line by any person or persons claiming title to or any interest in the gas which Trans-Canada delivers or causes to be delivered to Trunk Line. Trunk Line will not suffer or permit any lien or encumbrance to be placed on or against the said gas in respect of any claim

against Trunk Line and will indemnify and save harmless Trans-Canada from and against any such liens, encumbrances or claims, including Trans-Canada's costs of disputing such claims or defending any actions in respect thereof.

(16) Neither party shall be liable for damages to the other for any act, omission or circumstances occasioned by, or in connection with or consequence of, any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakages or accident to machinery, or lines of pipe, hydrate obstructions of lines of pipe, temporary failure of gas supply, freezing of wells or delivery facilities, well blowouts, craterings, inability to obtain materials, the orders of any Court, Board, or governmental authority having jurisdiction, any act or omission which is excused by any event or occurrence of the character herein defined as constituting force majeure, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome; but, provided, however, that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirements that any force majeure shall be remedied with the exercise of diligence shall not require the settlement of strikes or lockouts by acceding to the demands of opposing parties when such course is inadvisable in the discretion of the party having the difficulty.

Such causes or contingencies affecting the performance of this agreement by any party hereto, however, shall not relieve such party of

liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting the performance of this agreement relieve any party hereto from its obligations to make payments of amounts then due hereunder, nor shall such causes or contingencies relieve any party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on, and like notice shall be given upon termination of such force majeure conditions.

(17) Trunk Line shall give Trans-Canada as much notice as possible, but not less than forty-eight (48) hours except in case of emergency, when Trunk Line needs to temporarily curtail or interrupt service to Trans-Canada hereunder in any portion of the facilities described in paragraph two hereof for the purpose of making necessary alterations or repairs and such interruption or curtailment (except when caused by emergency) shall not take place until Trans-Canada has assented thereto which assent shall not be unreasonably withheld. Trunk Line shall endeavour to arrange such curtailments or interruptions so as to inconvenience Trans-Canada as little as possible and to continue same only for such time as is necessary. Trunk Line shall give to Trans-Canada as much notice as possible before resuming service after the same has been curtailed or interrupted.

(18) Trunk Line and Trans-Canada shall notify each other from time to time, as necessary, of expected changes in the rates of daily delivery or takings of gas or in the pressures or other operating conditions and the reason for such expected changes as soon as such reasons come to the knowledge of either Trans-Canada or Trunk Line to the end that the other may be

prepared to meet or to take advantage of such expected changes, when, as and if they occur.

(19) No waiver by either Trunk Line or Trans-Canada of any one or more defaults by the other in the performance of any provision of this contract shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or of a different character.

(20) Trans-Canada shall pay to Trunk Line for gas transported and service rendered each month, Trunk Line's cost of service in rendering such service. Such payments shall be calculated for each month as the sum of the following amounts:

(A) OPERATING EXPENSES:

Trunk Line's reasonable and necessary gas operating expenses in respect of the gas gathering and gas transmission system described in paragraph two hereof, for such month reflected in Accounts 733 to 809 inclusive.

(B) DEPRECIATION:

Commencing at the expiration of the four year period provided for in sub-paragraph (G) hereof, one-twelfth (1/12) of Trunk Line's annual depreciation expense in respect of the gas gathering and gas transmission system described in paragraph two hereof, computed by the application of annual straight line depreciation rates to Trunk Line's actual legitimate investment in depreciable plant (including intangible plant) at the first day of such month. The annual depreciation rates are as follows:

- | | |
|---|-----------|
| (1) Office furniture and equipment, tools and work equipment, | - 10% |
| (2) Transportation equipment | - 33-1/3% |

- (3) Trunk Line's remaining legitimate investment

- 4%

(C) TAXES :

Accruals recorded for such month with respect to income and other taxes associated with Trunk Line's ownership and operation of the gas gathering and gas transmission system described in paragraph two hereof and adjustments of accruals for tax expenses previously billed.

(D) RETURN:

Return at an annual rate of seven and one-half (7-1/2%) per cent computed for such month by the application of the monthly rate of 0.625% to Trunk Line's net investment rate base computed as of the date of Trunk Line's initial operation and as of the first day of each billing month thereafter, by adding together the items listed below:

- (1) Trunk Line's actual legitimate original investment in gas plant in service, gas plant held for future use, gas plant leased to others and other utility plant, all in respect of the gas gathering and gas transmission system described in paragraph two hereof, less the balances in depreciation reserves and contributions in aid of construction.
- (2) An allowance for working capital consisting of the sum of
- (a) necessary materials and supplies for operating purposes of the gas gathering and gas transmission system described in paragraph two hereof, and (b) cash working capital equal

to one eighth (1/8) of cash operating expenses of the said system described in paragraph two hereof for the preceding twelve (12) months; exclusive of the cost of any purchased gas and exclusive of any transmission or compression of gas by others; provided that for each month during the first twelve (12) months of service by Trunk Line and during the first twelve (12) months following any major plant expansion the amount utilized shall be one hundred and fifty (150%) per cent of the cash operating expenses during the month.

(E) CREDITS:

Credit shall be allowed by Trunk Line to Trans-Canada for all revenues collected from customers other than Trans-Canada for transportation of gas through all or part of the gas gathering and gas transmission system described in paragraph two hereof.

(F) ADJUSTMENT FOR ACCRUED AND DEFERRED ITEMS

Income and expense accounts for each month shall reflect accrued and deferred items. Accruals shall be adjusted to reflect the difference between accruals and actual amounts when conclusive determinations and settlements are made.

(G) DEVELOPMENT PERIOD REDUCTION IN CHARGES

For a period of four (4) years after the date when Trans-Canada is obligated to deliver, or cause to be delivered, gas to Trunk Line for transportation, or after the date when Trans-Canada first delivers, or causes to be delivered, gas to Trunk Line for transportation (whichever date first occurs) the cost of service rate hereinabove provided for shall be disregarded and Trans-Canada shall pay Trunk Line four cents (4¢) per m.c.f. of gas transported, provided however, that Trans-Canada shall pay Trunk Line, during the said four year period, the following minimum amounts regardless of the volumes of gas delivered, or caused to be delivered by Trans-Canada to Trunk Line for transportation during the said period:-

(1) During the first year (by twelve equal monthly payments)	\$ 210,480.00
(2) During the second year (by twelve equal monthly payments)	2,312,640.00
(3) During the third year (by twelve equal monthly payments)	3,326,400.00
(4) During the fourth year (by twelve equal monthly payments)	3,621,760.00

(H) IDENTIFICATION OF ACCOUNTS

The Account Numbers utilized herein are those specified in the Uniform System of Accounts prescribed by the Federal Power Commission for natural gas pipe line companies operating in the United States.

(21) Trunk Line may use such quantities of Trans-Canada's gas from time to time as:

(a) are required for fuel used in buildings owned or operated by Trunk Line as part of its gas gathering and gas transmission system described in paragraph two hereof.

(b) are required for fuel used in the operation of compressor stations if, as and when the same are installed by Trunk Line as part of its gas gathering and gas transmission system described in paragraph two hereof.

(c) are lost through explosion, fire or other calamity.

(d) are line losses and other unaccounted for gas.

(e) are required to purge and test the said gas gathering and gas

transmission system described in paragraph two hereof or any part thereof.

Trunk Line will each month pay Trans-Canada at the weighted average price paid by Trans-Canada for gas during such month for all gas so used by Trunk Line after the expiration of the four year period referred to in paragraph twenty, sub-paragraph (G) hereof. Trunk Line shall not make any payment in respect of reasonable quantities of gas used for the purposes set forth in sub-paragraphs (a), (b), (c), and (d) during the said four year period. Any sums so paid by Trunk Line in respect of gas used for the purposes set forth in sub-paragraphs (a), (b), (c) and (d) hereof shall be deemed to be reasonable and necessary operating expenses for such month. Any sums so paid by Trunk Line in respect of gas used for the purposes set forth in sub-paragraph (e) hereof shall be deemed to be a reasonable and necessary part of the cost of construction of the said gas gathering and gas transmission system.

"NET" Commencing
"JCS" (21A) / On the 1st day of September in each year Trans-Canada will deliver, or
"VT"
"JCM" cause to be delivered, to Trunk Line such quantities of gas, at the pressures set forth in Schedule "B", as are required by Trunk Line to purge and test the portion of Trunk Line's gas gathering and gas transmission system constructed by Trunk Line during that year.

(22) For the purposes of paragraph three and of paragraph twenty, sub-paragraph (G) hereof gas volumes shall be those measured at the point of delivery by Trunk Line to Trans-Canada.

(23) If any dispute arises between the parties to this contract, which is not within the jurisdiction of the Board of Public Utility Commissioners of the Province of Alberta, relating to matters in connection with the interpretation or construction of the provisions hereof, such dispute shall be submitted for determination to a board of three (3) arbitrators chosen as follows:

Upon the written demand of either party and within ten (10) days from the date of such demand, each party shall name an arbitrator and the two arbitrators so named shall promptly thereafter choose a third. If either party shall fail to name an arbitrator within ten (10) days from such demand, the other party shall name the second arbitrator as well as the first, or if the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon written application by either party such third arbitrator may be appointed by any Justice of the Trial Division of the Supreme Court of Alberta.

The Board of Arbitrators so chosen shall proceed immediately to hear and determine the question or questions in dispute. The decision of the Board of Arbitrators or majority thereof shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. In the event the Board or majority thereof shall fail to make a decision within sixty (60) days after the appointment of the third arbitrator, new arbitrators may at the election of either party be chosen in like manner as if none had been previously selected.

The decision of the arbitrators shall be drawn up in writing and signed by the arbitrators or majority of them and shall be final and binding

as to the parties hereto and as to any question or questions so submitted to said arbitrators, and said parties shall abide by such decision and perform the terms and conditions thereof. Unless otherwise determined by the arbitrators, all expenses in connection with such arbitration, including a reasonable compensation to the arbitrators, shall be divided equally between the parties hereto, with the exception of the expenses of counsel, witnesses and employees of the parties hereto, which, unless otherwise determined by the arbitrators shall be borne by the party incurring them.

(24) Every request, notice, statement or bill provided for in this agreement shall be in writing directed to the party to whom given, mailed or delivered to Trunk Line at 320-Ninth Avenue West, Calgary, Alberta, Canada, or Trans-Canada at P.O. Box 500, Calgary, Alberta, Canada. Either party may change its address by giving written notice to the other party. Any such notice shall be deemed to have been received in the ordinary course of mail.

(25) This contract shall be binding upon and enure to the benefit of the successors and assigns of each of the parties hereto. Nothing herein contained shall prevent either party from pledging or mortgaging its rights hereunder as security for its indebtedness.

(26) This contract shall be construed in accordance with the laws of the Province of Alberta.

(27) This agreement is made subject to the provisions of Section Thirty (30) of The Alberta Gas Trunk Line Company Act, being Chapter 37 of The Statutes of Alberta, 1954; and amendments thereto.

(28) This is the definitive contract referred to in letter agreement

between the parties dated March 26th, 1956, and upon the execution of this agreement the said letter agreement shall be of no further force or effect.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed and their corporate seals to be hereunto affixed, attested by the hands of their proper officers duly authorized in that behalf, the day and year first above written.

THE ALBERTA GAS TRUNK LINE COMPANY LIMITED

Per: "Vernon Taylor"
"President"
C/S
Per: "J. C. Mahaffy"
"Secretary Treasurer"

TRANS-CANADA PIPE LINES LIMITED

Per: "N. E. Tanner"
"President"
C/S
Per: "J. C. Saks"
"Assistant Secretary"

THIS AGREEMENT made the 8th day of
February, 1957,

BETWEEN:

NORTHERN ONTARIO PIPE LINE CROWN
CORPORATION, a corporation with head
office in the City of Ottawa, Province of
Ontario, duly incorporated by Act of
Parliament, Chapter 10, Statutes of Canada,
1956, (hereinafter referred to as the "Crown
Corporation")

OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED,
a corporation with head office in the City
of Calgary, Province of Alberta, duly
incorporated by Act of Parliament, Chapter
92, Statutes of Canada 1951, (hereinafter
referred to as "Trans-Canada")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS Her Majesty the Queen in right of Canada
(hereinafter referred to as "the Government") and Trans-Canada
entered into an agreement dated the 21st day of November, 1955 set-
ting forth the proposed undertakings of each of the said parties with
respect to the construction of an all-Canadian natural gas pipe line
and other matters, all as more particularly described or provided
for in the said agreement;

AND WHEREAS the said agreement was amended by
agreements between the Government and Trans-Canada dated April
26, 1956, October 29, 1956 and November 29, 1956 respectively, and
has been further amended and supplemented by an agreement between
the Government, the Crown Corporation and Trans-Canada dated
January 30, 1957;

AND WHEREAS in and by the said agreement dated
the 21st day of November, 1955 as heretofore amended and supple-
mented (hereinafter referred to as the "Northern Ontario Section
Contract") it is provided that the Crown Corporation will construct and
will lease to Trans-Canada the Northern Ontario Section of the afore-
said pipe line;

NOW THEREFORE IT IS HEREBY AGREED AND DECLARED
by and between the parties hereto as follows:

Section 1.

In this agreement the "Northern Ontario Section" means the section or portion of the proposed all-Canadian pipe line which under the terms of the Northern Ontario Section Contract is to be constructed by the Crown Corporation and which will be more particularly described in the Lease hereinafter referred to.

Section 2

(1) The Crown Corporation and Trans-Canada agree that forthwith upon completion of construction of the Northern Ontario Section they will execute and deliver a lease from the Crown Corporation to Trans-Canada of the Northern Ontario Section in the terms of the form of lease hereto attached, which lease, when executed (hereinafter referred to as the "Lease") shall supercede and replace the provisions of Sections 6, 7, 8 and 9 of the Northern Ontario Section Contract. The term of the Lease shall commence on the earliest date when the Northern Ontario Section is completed and is ready for operation.

(2) Nothing in this agreement or in the Lease, when executed, shall affect the provisions of Section 5 of the Northern Ontario Section Contract or shall affect the provisions of Section 6A of the Northern Ontario Section Contract with respect to the leasing to Trans-Canada (pending completion of construction of the Northern Ontario Section) of the portion of the Northern Ontario Section which is constructed during the 1957 construction season but the lease of any such portion of the Northern Ontario Section (hereinafter referred to as the "interim lease") shall be on terms similar to those set out in the form of lease hereto attached, subject to the following changes:

- (a) necessary changes in the recitals to and the demise provisions of the attached draft lease to reflect the fact that the interim lease will cover only a portion of the Northern Ontario Section;
- (b) Schedule A to be attached to the interim lease shall describe only the portion of the Northern Ontario Section being demised by the said interim lease;
- (c) the term of the interim lease shall be the period from the earliest date when the aforesaid portion of the Northern Ontario Section is completed and ready for operation to the date of commencement of the term referred to in paragraph (1) of this Section 2; and
- (d) the rental payable by Trans-Canada under the interim lease shall be as provided in Section 6A of the Northern Ontario Section Contract.

Section 3

It is understood and agreed that if and when the interim lease contemplated by paragraph (2) of Section 2 hereof is entered into such interim lease shall in no way affect or alter the rights of the parties under the Lease, when executed, or the term of such Lease or any of the calculations to be made thereunder.

Section 4

The Crown Corporation consents and agrees that the interest of Trans-Canada under this agreement, and under the Lease when executed, may be assigned, mortgaged, hypothecated, pledged and/or charged to and in favour of the Trustee under the Deed of Trust and Mortgage proposed to be entered into by Trans-Canada for the purpose of securing First Mortgage Pipe Line Bonds of Trans-Canada and no further or other consent on the part of the Crown Corporation to any such assignment, mortgage, hypothecation, pledge and/or charge shall be required.

IN WITNESS WHEREOF the parties hereto have caused their respective corporate seals to be hereunto affixed and this agreement to be signed by their respective officers duly authorized in that behalf.

NORTHERN ONTARIO PIPE LINE CROWN CORPORATION

by "D. A. Golden" (C/S)
President
"W. J. Mulock"
Secretary

TRANS-CANADA PIPE LINES LIMITED

by "Chas. S. Coates"
Vice-President
"N. John McNeill" (C/S)
Secretary

THIS INDENTURE made the _____ day of
195 _____ in pursuance of the Short Forms of Leases Act (Ontario)

B E T W E E N :

NORTHERN ONTARIO PIPE LINE CROWN
CORPORATION a corporation with head office
in the City of Ottawa, Province of Ontario,
duly incorporated by Act of Parliament,
Chapter 10, Statutes of Canada, 1956 (herein-
after called the "Lessor")

OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED a
corporation with head office in the City of
Calgary, Province of Alberta, duly incor-
porated by Act of Parliament, Chapter 92,
Statutes of Canada, 1951 (hereinafter called
the Lessee")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS in and by a certain agreement dated the 21st day
of November, 1955 between Her Majesty the Queen in right of Canada and
the Lessee, as said agreement has been amended by agreements dated April
26, 1956, October 29, 1956 and November 29, 1956 and as further amended
and supplemented by an agreement between Her Majesty, the Lessor and the
Lessee dated January 30, 1957 it was provided that the Lessor would con-
struct and own and would lease to the Lessee the Northern Ontario Section of
an all-Canadian natural gas pipe line system to be constructed by the Lessee
(with the exception of the said Northern Ontario Section to be constructed by
the Lessor) and which upon completion would extend from the Alberta-
Saskatchewan border to the Island of Montreal;

AND WHEREAS the said Northern Ontario Section has been
constructed and is ready for operation;

NOW THEREFORE for other good and valuable consideration
and in consideration of the rents, covenants and agreements to be respectively
paid, observed and performed by the Lessee as hereinafter provided it is
hereby covenanted agreed and declared as follows:

I In this Indenture,

(a) The term "Northern Ontario Section" means the natural gas pipe line which has been constructed and owned by the Lessor and which extends from a point on the Manitoba-Ontario border west of Kenora, Ontario, to a point in the vicinity of Kapuskasing, Ontario (all as more particularly described in Schedule A hereto) together with all fixed plant and fixed equipment now or hereafter constructed or acquired by or for the Lessor and which are or will be part of, or which pertain or will pertain to or are or will be used or useful in the operation of, the Northern Ontario Section, including, but without limiting the generality of the foregoing, all buildings, erections, improvements, fixtures, line pipe, pipe connections, generators, motors, storage tanks, pumping stations and pumping equipment, compressor stations and compression equipment, communication equipment, electric power lines, fittings, valves, connections, cathodic or electrical protection units, by-passes, regulators, drips, meters and metering stations, and other machinery, equipment and apparatus now or hereafter placed, affixed or installed as a part of the said Northern Ontario Section;

(b) The term "this lease" means and includes this indenture and any supplemental indenture entered into between the Lessor and the Lessee for the purpose of adding additional properties to the demised premises as hereinafter defined

11 The Lessor does hereby demise and lease unto the Lessee the Northern Ontario Section as hereinbefore defined together with all right, title and interest of the Lessor in to or in respect of the lands and premises and rights of way in, through or under which the pipe line and integral or ancillary equipment connections and facilities comprising the said Northern Ontario Section have been or may hereafter be constructed or installed (all of the foregoing being herein sometimes collectively referred to as the "demised premises");

TO HAVE AND TO HOLD the demised premises for and during the term of twenty-five (25) years from the day of 195 and, subject as hereinafter provided, to be fully complete and ended on the day of 198 ;

YIELDING AND PAYING THEREFOR to the Lessor at its head office in the City of Ottawa during the said term hereby granted

(a) a monthly rental payable on the last day of each month for the preceding calendar month or part thereof equal to the number of Mcf of natural gas actually transmitted by the Northern Ontario Section in the said preceding month

multiplied by the transportation cost per Mcf of natural gas; the said transportation cost shall be that amount per Mcf of natural gas which, if the Northern Ontario Section were operated for one year at 2/3 of initially designed capacity (as hereinafter defined), would yield an amount in that year equal to four and one-half per cent (4-1/2%) of the capital cost to the Lessor of the Northern Ontario Section as constructed at its initially designed capacity and in calculating the said capital cost, there shall be included, in addition to all costs of materials, supplies, right-of-way, installation or other costs incurred in the construction of the Northern Ontario Section, interest costs actually paid or incurred by the Lessor and all other expenses of the Lessor during construction;

- (b) commencing with the fourth full calendar year of the term of this lease and for each calendar year thereafter additional rental equal to the amount as certified by the auditors of the Lessee by which in such calendar year the revenues of the Lessee exceed its operating expenses, (including the costs of operating and maintaining the Northern Ontario Section as hereinafter required, interest on bonds, debentures and other outstanding debts and obligations of the Lessee and depreciation at three and one-half per cent (3-1/2%) of the cost of the depreciable assets of the Lessee) such additional rental not to exceed in any event one per cent (1%) of the said capital cost of the Northern Ontario Section and to be payable only to the extent necessary to bring the accumulated total of rental payments under the immediately preceding sub-paragraph (a) and this sub-paragraph (b) to an amount equal to seven per cent (7%) per annum of the total capital cost of the Northern Ontario Section together with interest accumulated at three and one-half per cent (3-1/2%) per annum compounded annually on the net deficiencies below seven per cent (7%) per annum of any preceding period; the rental to be payable under this sub-paragraph (b) shall be due and payable within sixty (60) days of the end of the calendar year in respect of which such additional rental is payable.

III THE LESSEE COVENANTS with the Lessor as follows:

1. To pay rent.
2. That the Lessee during the term hereby granted will pay and discharge, and will keep the Lessor indemnified against liability for, all taxes, rates, duties and assessments of every kind that may be levied, rated,

charged or assessed against the demised premises and any property on the demised premises owned or brought thereon by the Lessee and every tax or license fee in respect of the operation or use of the Northern Ontario Section or the occupancy of the demised premises by the Lessee and that in the event of non-payment of any of the above taxes, rates, duties or assessments, the Lessor may pay the same (after ten days' prior notice in writing to the Lessee of its intention to do so) and add such payment, together with any penalties, interest or charges in connection therewith, together with interest at the rate of five per cent (5%) per annum, to the amount of the rent falling due on the next ensuing rental payment date and default in payment thereof shall constitute default in payment of rent hereunder. Provided that if and whenever the Lessee does not pay any such taxes, rates, duties or assessments because it disputes its liability therefor, and gives notice in writing to that effect to the Lessor, then such non-payment shall not constitute a default hereunder provided that if the Lessor, in its discretion, shall be of the opinion that such payment is necessary or advisable in order to protect its interests in this lease or the demised premises the Lessor may pay the same (but only after giving at least ten days' prior notice in writing to the Lessee of its intention to do so) and the amounts so paid may be added to the rent as hereinbefore provided.

3. That subject as provided in paragraph (i) of the covenants by the Lessor hereinafter set forth the Lessee, at its own expense, shall pay all amounts from time to time payable under all easements or rights of way agreements relating to the demised premises and shall operate, maintain and keep the pipe line system and all other property comprised in the demised premises in good operating order and condition and promptly make all needed repairs thereto and shall promptly comply with the requirements of every applicable statute, law and ordinance, and with every applicable lawful regulation or order, with respect to the condition, equipment, maintenance, use or occupation of the demised premises.

4. That the Lessee shall have the sole responsibility for the operation, maintenance and management of the demised premises and the Lessor shall have no liability for damage to the Lessee's property on the demised premises on any account or for any reason whatsoever, and the Lessee covenants and agrees to operate and maintain the Northern Ontario Section so as to make the maximum practical use thereof having regard to gas demand east of the Manitoba-Ontario border

5. That it shall be lawful for the Lessor and its agents at all reasonable times during the said term to enter the demised premises to examine the condition thereof; and further that all want of repair that upon such view shall be found and which the Lessee is obligated to make good under the terms of this lease and of which notice in writing shall have been given to the Lessee, the said Lessee will within three (3) calendar months next after such notice well and sufficiently repair and make good accordingly.

6. That the Lessee shall not assign or sublet without leave of the Lessor except that this lease and the rights of the Lessee hereunder may, without any further leave or consent on the part of the Lessor, be assigned, mortgaged, hypothecated, pledged and/or charged to and in favour of the Trustee under the Deed of Trust and Mortgage to be entered into by the Lessee for the purpose of securing First Mortgage Pipe Line Bonds of the Lessee.

7. That the Lessee will, at the expiration or sooner termination of this lease, but subject as hereinafter provided, peaceably surrender and yield up to the Lessor the Northern Ontario Section and all other property for the time being included in the demised premises.

8. Provided and it is expressly understood and agreed that all machinery, equipment, tools, fixtures, articles and things heretofore or hereafter brought upon or installed in the demised premises by or for the Lessee and whether or not the same or any of them are or may be affixed to the said premises, are and shall be and remain the property of the Lessee and that the Lessee may remove the same at or before the expiration of the term hereby granted or within a period of sixty (60) days thereafter provided that the Lessee shall make good any damage to the demised premises which may be occasioned by such removal.

9. Proviso for re-entry by the said Lessor on non-payment of rent or non-performance of covenants.

10. And also that if the term hereby granted shall be at any time seized or taken in execution or in attachment by any creditor of the Lessee or if the Lessee shall make any assignment for the benefit of creditors, or shall become bankrupt or insolvent or shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, then, at the sole option of the Lessor, the then current month's rent shall immediately become due and be payable, and if the Lessor in its sole discretion shall so determine and give notice in writing to the Lessee to that effect the said term shall immediately become forfeited and void, and in such case it shall be lawful for the Lessor at any time thereafter to re-enter into and upon the demised premises, or any part thereof in the name of the whole, and the same to have again, repossess and enjoy as of its former estate; provided always that the foregoing provisions of this paragraph shall not become operative if the trustee in bankruptcy or trustee for bondholders or receiver of the assets of the Lessee shall give to the Lessor an undertaking to make the rental payments provided for by this lease and shall continue to make such payments.

11. That during the continuance of this lease the Lessee shall carry insurance on the demised premises against such risks and in such amounts as it would carry if it were the owner of the demised premises and as is usual in like circumstances and in kind and amount satisfactory to the Lessor, such insurance to be carried in or with some insurance company or companies in good standing

and satisfactory to the Lessor. Premiums for all such insurance shall be paid by the Lessee, and loss thereunder shall be payable to the Lessor and the Lessee as their respective interests may appear and the insurance policies shall be deposited with the Lessor. In the event that the Lessee shall fail to insure and keep insured, as herein provided, the Lessor shall be free to effect such insurance, and the cost of the same, together with interest thereon from the date of payment by the Lessor at the rate of five per cent (5%) per annum, shall be added to the rent hereby reserved and the amount thereof shall be payable with the next payment of rent falling due hereunder.

12. In case of damage to or destruction of the demised premises, or any part thereof, by fire, explosion or otherwise the Lessee shall give the Lessor prompt notice thereof and shall promptly proceed, at its own cost and expense (subject as provided in paragraph (i) of the covenants by the Lessor hereinafter set forth) to restore the property so damaged to the same condition as prevailed immediately prior to the occurrence of such damage. The Lessor shall, upon completion of such restoration and payment of all costs and expenses incident thereto by the Lessee, pay over to or to the order of the Lessee any insurance proceeds received by the Lessor in respect of such loss or damage or any balance thereof not previously paid to or to the order of the Lessee; provided always that the Lessor shall from time to time, at the request of the Lessee (provided any payments provided to be paid by this lease are not in default) pay to the Lessee out of such insurance proceeds, but only to the extent of such insurance proceeds, amounts equal to eighty-five per cent (85%) of the amounts certified by a qualified architect or engineer (who may be a person regularly employed by the Lessee) to have been expended by the Lessee in or towards the restoration of the property so damaged and not covered by any prior certificate. Provided, however, if the estimated cost of the repairs or replacement shall be greater than the total amount of the insurance proceeds paid or payable to the Lessor an amount equal to such excess shall be paid by the Lessee out of its own funds (and without reimbursement therefor out of such insurance proceeds) before the Lessee shall be entitled to receive any part of such insurance proceeds pursuant to the foregoing provisions of this paragraph. Any balance of insurance proceeds remaining in the hands of the Lessor after the work of repairing or replacing the demised premises has been completed shall be paid to the Lessee.

13. The Lessee shall indemnify and save harmless the Lessor from any and all liabilities, damages, costs, claims, suits or actions growing out of -

(a) Any breach, violation or non-performance of any covenant, condition or agreement which under the terms of this lease should be or should have been performed or fulfilled by the Lessee;

(b) Any damage to persons or property for which the Lessor may be liable as owner of the demised premises except damage resulting from any direct act or omission of the Lessor, its servants, agents or workmen.

14. Without prejudice to the next preceding paragraph, the Lessee shall carry public liability insurance in amounts satisfactory to the Lessor such insurance to be in the names of the Lessor and Lessee and the premiums on such insurance shall be paid by the Lessee and the policies relating to the said insurance shall be deposited with the Lessor. In the event that the Lessee shall fail to insure and keep insured, as herein provided, the Lessor shall be free to effect such insurance, and the cost of the same, together with interest thereon from the date of payment by the Lessor at the rate of five per cent (5%) per annum, shall be added to the rent hereby reserved and the amount thereof shall be payable with the next ensuing payment of rent falling due hereunder. All such insurance shall be carried in a company or companies satisfactory to the Lessor.

IV THE LESSOR COVENANTS with the Lessee for quiet enjoyment.

V THE LESSOR FURTHER COVENANTS

(i) that the Lessor shall make good at its own expense any major defects in the Northern Ontario Section that are the result of faulty construction, installation or workmanship, provided that such defects are discovered within a period of twelve (12) months from the commencement of the term of this lease, and such expense shall be deemed to be a cost of the Lessor incurred during construction..

(ii) that the Lessee shall manage and operate the Northern Ontario Section free from any interference or control by the Lessor and shall have the right, at its own expense, to make any changes in or alterations or additions to the Northern Ontario Section or other parts of the demised premises but no changes, alterations or additions which impair the use of the Northern Ontario Section for the purposes contemplated by this lease or which require the approval of the Board of Transport Commissioners shall be made without the consent of the Lessor (which shall not be unreasonably withheld) and the issuance of an order of the Board approving the same;

(iii) that any changes, alterations or additions as aforesaid may be made without any obligation on the part of the Lessee to restore the pipe line system or demised premises to their original condition at the expiration or termination of the term hereby granted.

VI IT IS MUTUALLY AGREED that if and whenever, during the term of this lease, additions are made by the Lessor to the Northern Ontario Section, otherwise than on lands, rights-of-way or other easements described in Schedule A hereto and now forming part of the demised premises, the Lessor and the Lessee will enter into an indenture supplemental to this lease in such terms as may be appropriate to include such additions as part of the demised premises

VII In consideration of the entering into of this lease by the Lessee and for other good and valuable consideration and the sum of Ten Dollars (\$10) now paid by the Lessee to the Lessor (receipt of which the Lessor hereby acknowledges) and in consideration of the undertaking of the Lessee to purchase the Northern Ontario Section from the Lessor as soon as the Lessee can arrange the necessary finances THE LESSOR HEREBY GRANTS TO THE LESSEE an irrevocable option to purchase the Northern Ontario Section and all other property comprised in the demised premises upon the following terms and subject to the following conditions:

- (1) The Lessee may exercise the said option at any time prior to the expiry of a period of 21 years calculated from the death of the last survivor of the descendants now living of His late Majesty King George V or at any time during the term of this lease, whichever is the earlier.
- (2) The said option may be exercised by the Lessee by notice in writing delivered or mailed by registered post to the Lessor and shall be deemed to be exercised on the date on which such notice is so delivered or mailed as the case may be.
- (3) If the said option is so exercised,
 - (a) the purchase price payable by the Lessee to the Lessor shall be a price equal to the total capital cost to the Lessor of the Northern Ontario Section minus all payments received by the Lessor under subparagraphs (a) and (b) of the rental provisions of Clause II of this lease which are in excess of the amount necessary to give the Lessor from the commencement of the term hereof an annual return of three and one-half per cent (3-1/2%) on its invested capital, presuming that the Lessor has applied semi-annually to retirement of its invested capital all funds received by it in excess of said return.
 - (b) the Lessor shall not be obliged to produce any deeds or other documents of title relating to the Northern Ontario Section or the demised premises except such as are in its possession or within its control.
 - (c) the sale and purchase of the Northern Ontario Section and the demised premises shall be completed within three months following the exercise of the said option and the Lessor, within the said period of three months, shall convey the Northern Ontario Section and all other property comprised in the demised premises by good and sufficient deeds or other instruments of conveyance to the Lessee against payment of the purchase price.

- (4) Notwithstanding the foregoing the Lessee shall not be entitled hereunder to elect to purchase nor shall the Lessor be obligated hereunder at any time to sell the Northern Ontario Section or other property comprised in the demised premises;
- (a) before the Lessor has received, from the commencement of the term hereof an annual return of three and one-half per cent (3-1/2%) on its invested capital as hereinbefore set out; or
- (b) at a price less than (1) the amortized capital cost of the Northern Ontario Section which shall be determined by applying, from the commencement of the term hereof, to the total capital cost from time to time amortization at the rate of three and one-half per cent (3-1/2%) per annum plus interest thereon compounded annually at three and one-half per cent (3-1/2%) per annum, or (2) seventy per cent (70%) of the capital cost of the Northern Ontario Section, whichever is the higher amount.
- (5) If the said option is exercised and if the date as of which the sale is to be completed does not coincide with an anniversary of the commencement of the term hereof, interest as expressed in the form of annual return, amortization and interest thereon shall, for the purpose of making the calculations for the lease year then current, be deemed to accrue from day to day; and

VIII

For all purposes of this lease;

- (a) "initially designed capacity" of the Northern Ontario Section means a pressure capacity which will enable the Northern Ontario Section pipe line to transmit approximately 300,000 Mcf of natural gas per day at a pressure of 14.4 pounds per square inch absolute and a temperature of 60 degrees Fahrenheit;
- (b) "Mcf" means one thousand (1000) cubic feet of natural gas;
- (c) "natural gas actually transmitted" by or through the Northern Ontario Section in a specified period means the quantities of natural gas delivered during such period to the western terminus of the Northern Ontario Section, such quantities to be measured and determined as hereinafter provided;
- (d) "Total capital cost" of the Northern Ontario Section means, as at any given time,

- (i) The capital cost to the Lessor of the Northern Ontario Section as constructed at its initially designed capacity, such capital cost to be calculated as provided in sub-paragraph (a) of the rental provisions contained in Clause II hereof, plus
- (ii) The cost to the Lessor of any additions to the Northern Ontario Section as so completed, such last-mentioned cost to include, in addition to all costs of materials, supplies, land, installation or other costs incurred in the construction of such additions, interest during construction at the rate of three and one-half per cent (3-1/2%) per annum and all expenses of the Lessor that are properly attributable to the construction of such additions.
- (e) "invested capital" of the Lessor means the total capital cost of the Northern Ontario Section plus the amount of any additional obligations or liabilities of a capital nature incurred by the Lessor for money borrowed for purposes directly related to the Northern Ontario Section

IX MEASUREMENT:

(1) The Lessor shall install at its own expense (after agreement with the Lessee on design) and the Lessee shall maintain and operate at its own expense, at or near the point of delivery of gas into the Northern Ontario Section at its western terminus, a measuring station properly equipped with meters and other necessary measuring equipment by which the volume of gas delivered into the Northern Ontario Section shall be measured. Orifice meters shall be installed and operated and volumes computed in accordance with the Canadian Department of Trade and Commerce (Standards Division) Regulations respecting Gas and Gas Meters made by Order-in Council P.C. 2032 pursuant to the provisions of The Gas Inspection Act, Chapter 82, R.S.C. 1927, as amended April 4, 1952, including Specifications #5 and #7 issued thereunder, effective April 1, 1952, and March 1, 1956, respectively, and any modification and amendments thereof.

(2) The unit of volume for purposes of calculating the rental payable hereunder shall be one cubic foot of gas at a temperature of 60 degrees Fahrenheit and at a pressure of fourteen and four-tenths (14.4) psia.

(3) The transportation unit of the gas delivered hereunder shall be one thousand cubic feet.

(4) The flowing temperature of the gas delivered at the point of delivery shall be determined by means of a recording thermometer of standard make acceptable to both parties. The arithmetical average on readings each day at such point shall be deemed the gas temperature and used in computing the volumes of gas delivered at such point.

(5) The Lessee shall install, maintain and operate, at its own expense, such check measuring equipment as it may think fit.

(6) The Lessor and the Lessee shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas into the Northern Ontario Section. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten days after receipt thereof.

(7) Either party may at any time notify the other party in writing that it desires a special test of such other party's measuring equipment and in the event of such notification being given the parties shall co-operate to secure a prompt test of the accuracy of such equipment. The expense of any such special test shall be borne by the party requesting it if the equipment tested is found to be in error by not more than two per cent (2%) and if found to be in error by more than two per cent (2%) such expense shall be borne by the party whose equipment is being tested.

(8) If, upon test, any measuring equipment, including recording calorimeters, is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately.

(9) If, upon test, any measuring equipment shall be found to be inaccurate by an amount exceeding two per cent (2%), at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period which is known definitely but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of last test, not exceeding a correction period of sixteen days.

X Any notice required or permitted to be given under this lease by the Lessee to the Lessor (including any notice of the exercise of the options granted under the foregoing provisions of this lease) shall be sufficiently given if mailed postage prepaid addressed to the Lessor at No. 4 Temporary Building, Ottawa, Ontario, or if delivered to the Lessor at the said address, and any notice required or permitted to be given by the Lessor to the Lessee shall be deemed to be sufficiently given if mailed postage prepaid addressed to the Lessee at 160 Bloor Street East, Toronto, Ontario, or if delivered to the Lessee at the said address. Any such notice if so mailed shall be deemed to have been given

on the next business day following the day on which it is mailed and if delivered shall be deemed to have been given on the day on which it is so delivered. Either party may give notice in writing to the other of a change in address and any new address of which notice is so given shall henceforth be deemed to be the address of such party for all purposes of this indenture until changed in the manner herein provided.

XI This indenture shall be deemed to have been made in and shall be construed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF this indenture has been executed by the parties hereto under their respective corporate seals.

NORTHERN ONTARIO PIPE LINE
CROWN CORPORATION

by _____
President

by _____
Secretary

TRANS-CANADA PIPE LINES LIMITED

by _____
President

by _____
Secretary

THIS AGREEMENT made the 30th day of January

1957,

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,
(hereinafter referred to as the "Government")
represented by the Minister of Trade and
Commerce,

OF THE FIRST PART,

TRANS-CANADA PIPE LINES LIMITED,
a corporation with head office in the
City of Calgary, Province of Alberta
duly incorporated by Act of Parliament,
Chapter 92, Statutes of Canada 1951,
(hereinafter referred to as "Trans-Canada"),

OF THE SECOND PART

- and -

NORTHERN ONTARIO PIPE LINE CROWN CORPORATION,
a corporation with head office in the City
of Ottawa, Province of Ontario, duly incorpor-
ated by Act of Parliament, Chapter 10,
Statutes of Canada, 1956, (hereinafter referr-
ed to as the "Crown Corporation")

OF THE THIRD PART

WITNESSETH THAT:

WHEREAS the Government and Trans-Canada
entered into an agreement dated the 21st day of November, 1955
setting forth the proposed undertakings of each of the
said parties with respect to the construction of an all-
Canadian natural gas pipe line and other matters, all as
more particularly described or provided for in the said
agreement;

AND WHEREAS the said agreement was amended by further agreements between the Government and Trans-Canada dated April 26, 1956, October 29, 1956 and November 29, 1956 respectively;

AND WHEREAS Trans-Canada has partially completed the construction of the Western Section (as hereinafter defined) of the proposed all-Canadian pipe line;

AND WHEREAS as contemplated by the said agreement dated the 21st day of November, 1955, as amended, the Crown Corporation has been incorporated for the purpose of constructing and owning, and leasing to Trans-Canada, the Northern Ontario Section of the said pipe line;

AND WHEREAS it is desired to supplement and amend the said agreement dated the 21st day of November, 1955, as herein provided;

NOW THEREFORE IT IS HEREBY AGREED AND DECLARED by and between the parties hereto as follows:

Section 1.

In this agreement, except where the context otherwise requires, the following terms and expressions shall have the following meanings:

(a) "Northern Ontario Section Contract" means the hereinbefore-recited agreement between the Government

and Trans-Canada dated the 21st day of November, 1955, as heretofore and hereby amended;

(b) "Pipe Line" means the proposed all-Canadian pipe line referred to in the Northern Ontario Section Contract other than the proposed lateral line from the vicinity of Winnipeg to Emerson, Manitoba;

(c) "Northern Ontario Section" means the section or portion of the Pipe Line which under the terms of the Northern Ontario Section Contract is to be constructed by the Crown Corporation;

(d) "Western Section" means the section or portion of the Pipe Line, heretofore partially constructed by Trans-Canada, which, when completed, will extend from the Alberta-Saskatchewan border to the vicinity of the City of Winnipeg, Manitoba;

(e) "force majeure" means (i) acts of God, strikes, lockouts by others than Trans-Canada or the Crown Corporation or other labor or industrial disturbances, civil disturbances, arrests and restraints from rulers and people, interruptions or delays caused by government or court orders, future valid orders of any regulatory body having jurisdiction, acts of the public enemy, wars, riots, sabotage, blockades, embargoes, insurrections, epidemics, snowslides, landslides, lightning, earthquakes, fires,

storms, floods, washouts, weather conditions preventing or materially impairing construction work or explosions and (ii) to the extent not attributable to the fault of Trans-Canada or of the Crown Corporation, failure or inability to secure materials or labor by reason of priority or similar regulations or orders of any government, delays in manufacture or delivery of materials or equipment on order or delays in shipping or transportation and (iii) any other cause beyond the control of the party concerned whether or not of the character hereinabove enumerated.

Section 2.

The Government agrees that Trans-Canada has presented evidence satisfactory to the Government that Trans-Canada has arranged for the financing of the costs of construction of the Pipe Line exclusive of the Northern Ontario Section and that the Northern Ontario Section Contract and the undertakings of the Government thereunder are in full force and effect.

Section 3.

The Crown Corporation hereby undertakes and agrees to do, carry out or perform all of the obligations (including, but without limitation to, the construction of the Northern Ontario Section and the leasing of the same

to Trans-Canada) which in the Northern Ontario Section Contract the Government agreed would be done, carried out or performed by the Crown Corporation.

Section 4.

(1) Subject to delays due to force majeure, Trans-Canada shall complete the construction of the Western Section not later than November 1, 1957.

(2) Trans-Canada shall construct the portion of the Pipe Line from the point in the vicinity of the City of Winnipeg which will be the eastern terminus of the Western Section (when completed) to the Manitoba-Ontario border and subject to delays due to force majeure shall complete the construction of the said portion of the Pipe Line not later than November 1, 1957.

(3) The Crown Corporation shall construct the Northern Ontario Section and subject to delays due to force majeure (i) shall complete the portion of the Northern Ontario Section between the Manitoba-Ontario border and a point in the vicinity of the Cities of Fort William and Port Arthur, Ontario, not later than November 1, 1957 and (ii) shall complete the remainder of the Northern Ontario Section not later than November 1, 1958.

(4) Trans-Canada shall construct the portion of the Pipe Line from the eastern terminus of the Northern

Ontario Section (when completed) at a point in the vicinity of Kapuskasing, Ontario, to Sheridan, Ontario, and to Ste. Anne de Bellevue in the vicinity of the City of Montreal, Quebec, and subject to delays occasioned by force majeure shall complete the said portion of the Pipe Line not later than November 1, 1958.

Section 5.

The Northern Ontario Section Contract (as heretofore amended) is hereby further amended by the addition thereto, immediately following Section 6 thereof, of the following provision:

"6A. Pending completion of construction of the Northern Ontario Section, at which time the provisions of Section 6 above shall govern, that portion of the Northern Ontario Section constructed during the 1957 construction season and capable of being operated, will be leased to Trans-Canada at a monthly rental equal to the number of Mcf. of natural gas actually transmitted by that portion of the Northern Ontario section in the preceding month multiplied by the transportation cost per Mcf. as hereinafter provided. The said transportation cost shall be that amount per Mcf. which, if the portion of the Northern Ontario Section were operated for one year at 2/3 of initially designed capacity, would yield an amount in that year equal to 4 1/2% of the capital cost to the Crown Corporation of the said portion as constructed at its initially designed capacity. In calculating the said capital cost, there shall be included, in addition to all costs of materials, supplies, right-of-way, installation or other costs incurred in the construction of the said portion, interest costs and all other expenses of the Crown Corporation during con-

struction. Any period for which any portion of the Northern Ontario Section is leased to Trans-Canada as provided in this Section 6A shall be disregarded for the purposes of subdivision (iv) of Section 6."

Section 6.

This agreement shall be read with the Northern Ontario Section Contract which shall be deemed to be amended to the extent necessary to give effect to the provisions contained herein.

IN WITNESS WHEREOF the Minister of Trade and Commerce has hereunto set his hand and the seal of the Department of Trade and Commerce on behalf of Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited and Northern Ontario Pipe Line Crown Corporation have caused their respective corporate seals to be hereto affixed and this Agreement to be signed by their respective officers duly authorized in that behalf.

SIGNED AND SEALED ON BEHALF OF HER
MAJESTY THE QUEEN IN RIGHT OF CANADA

"C. D. Howe" (C/S)
Minister of Trade and Commerce

TRANS-CANADA PIPE LINES LIMITED

by "Chas. S. Coates" (C/S)
Executive Vice President

"N. John McNeill"
Secretary

NORTHERN ONTARIO PIPE LINE CROWN
CORPORATION

(C/S) "D. A. Golden"
President

"W. J. Mulock"
Secretary

THIS AGREEMENT made the 29th day of November, 1956,

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,
(hereinafter called the "Government of
Canada"), represented by the Minister of
Trade and Commerce,

PARTY OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED, a body
corporate with head office in the City of
Calgary, Province of Alberta, duly incorporated
by Act of Parliament, Chapter 92, Statutes of
Canada 1951, (hereinafter called "Trans-Canada"),

PARTY OF THE SECOND PART

WHEREAS the Government of Canada and Trans-Canada
entered into an Agreement dated the 21st day of November, 1955,
setting forth the proposed undertakings by each with respect to
an all-Canadian natural gas pipe line as more particularly
described in the said Agreement;

AND WHEREAS by an Agreement dated the 26th day of April,
1956, the Agreement of November 21st, 1955, was amended to
substitute the date "November 1st, 1956" for the date "May 1st,
1956" and by a further Agreement dated the 29th day of October,
1956, the Agreement of November 21st, 1955, as amended by the
Agreement of April 26th, 1956, was amended to substitute the
date December 1st, 1956, for the date November 1st, 1956, as
the date before which Trans-Canada should present evidence
satisfactory to the Government of Canada that Trans-Canada had
arranged for financing of all the costs and commitments in
connection with its program of the said pipe line;

AND WHEREAS Trans-Canada is currently negotiating but has not yet completed the arrangements for financing all the said costs;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

That the parties hereto agree that the date February 1, 1957, be substituted for the date December 1, 1956, in paragraph 3 of the Agreement of November 21, 1955, as amended by the Agreement of April 26, 1956, and as further amended by the Agreement of October 29, 1956.

IN WITNESS WHEREOF the Minister of Trade and Commerce has hereunto set his hand and the seal of the Department of Trade and Commerce on behalf of Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited has caused its seal to be hereto affixed and this Agreement to be signed by its proper officers in that behalf

SIGNED AND SEALED ON BEHALF OF
HER MAJESTY THE QUEEN IN RIGHT
OF CANADA

"C. D. Howe" (Seal)
MINISTER OF TRADE AND COMMERCE

SIGNED AND SEALED ON BEHALF OF
TRANS-CANADA PIPE LINES LIMITED

"Chas S Coates"
Executive Vice-President

"N. John McNeill" (Seal)
Secretary

THIS AGREEMENT made the 29th day of October , 1956,
BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,
(hereinafter called the "Government of
Canada"), represented by the Minister of
Trade and Commerce,

PARTY OF THE FIRST PART

-and-

TRANS-CANADA PIPE LINES LIMITED, a body
corporate with head office in the City of
Calgary, Province of Alberta, duly
incorporated by Act of Parliament, Chapter
92, Statutes of Canada 1951, (hereinafter
called "Trans-Canada").

PARTY OF THE SECOND PART

WHEREAS the Government of Canada and Trans-Canada entered into
an agreement dated the 21st day of November, 1955, setting forth the
proposed undertakings by each with respect to an all-Canadian natural
gas pipe line as more particularly described in the said Agreement;

AND WHEREAS by an agreement dated the 26th day of April, 1956
the agreement of November 21st, 1955 was amended to substitute the
date "November 1st, 1956" for the date "May 1st, 1956" as the date
before which Trans-Canada should present evidence satisfactory to
the Government of Canada that Trans-Canada had arranged for financing
of all the costs and commitments in connection with its program of
the said pipe line;

AND WHEREAS Trans-Canada is currently negotiating but has not
yet completed the arrangements for financing all the said costs;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

That the parties hereto agree that the date
December 1, 1956, be substituted for the date November 1, 1956,
in paragraph 3 of the Agreement of November 21, 1955, as amended
by the Agreement of April 26, 1956

IN WITNESS WHEREOF the Minister of Trade and Commerce has
hereunto set his hand and the seal of the Department of Trade and
Commerce on behalf of Her Majesty the Queen in right of Canada
and Trans-Canada Pipe Lines Limited has caused its seal to be
hereto affixed and this Agreement to be signed by its proper officers
in that behalf.

SIGNED AND SEALED ON BEHALF OF
HER MAJESTY THE QUEEN IN RIGHT
OF CANADA

(Seal)

"C. D. Howe"

Minister of Trade and Commerce

SIGNED AND SEALED ON BEHALF OF
TRANS-CANADA PIPE LINES LIMITED

"C. S. Coates"

Vice-President

(Seal)

"N. John McNeill"

Secretary

THIS AGREEMENT made the 26th day of April, 1956.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF CANADA (hereinafter called the
"Government of Canada"), represented
by the Minister of Trade and Commerce,

PARTY OF THE FIRST PART

- and -

TRANS-CANADA PIPE LINES LIMITED,
a body corporate with head office in the
City of Calgary, Province of Alberta,
duly incorporated by Act of Parliament,
Chapter 92, Statutes of Canada 1951,
(hereinafter called "Trans-Canada"),

PARTY OF THE SECOND PART

WHEREAS the Government of Canada and Trans-Canada entered into an Agreement, dated the 21st day of November, 1955, setting forth the proposed undertakings by each with respect to an all-Canadian natural gas pipe line as more particularly described in the said Agreement;

AND WHEREAS the said Agreement prescribes May 1st, 1956, as the date before which Trans-Canada shall present evidence satisfactory to the Government of Canada that Trans-Canada has arranged for financing of all the costs and commitments in connection with its program of construction of the said pipe line;

AND WHEREAS Trans-Canada will not, prior to May 1st, 1956, be able to arrange for the said financing but now proposes to arrange therefor prior to November 1st, 1956;

AND WHEREAS the Board of Transport Commissioners for Canada and the Petroleum and Natural Gas Conservation Board of Alberta have, respectively, extended to November 1st, 1956, the period within which Trans-Canada shall satisfy each Board that arrangements for financing the said pipe line have been completed;

AND WHEREAS it is desirable that the said Agreement, dated the 21st day of November, 1955, be amended to provide for an extension similar in duration to the extension granted by the Board of Transport Commissioners for Canada and the Petroleum and Natural Gas Conservation Board of Alberta;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

That the Agreement between the Government of Canada and Trans-Canada, dated the 21st day of November, 1955, is amended by substituting the date "November 1st, 1956" for the date "May 1st, 1956" in Clause 3 of the said Agreement.

IN WITNESS WHEREOF the Minister of Trade and Commerce has hereunto set his hand and the seal of the Department of Trade and Commerce on behalf of Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited has caused its seal to be hereto affixed and this Agreement to be signed by its proper officers in that behalf.

SIGNED AND SEALED ON BEHALF
OF HER MAJESTY THE QUEEN IN
RIGHT OF CANADA

Seal

"C. D. Howe"
MINISTER OF TRADE AND COMMERCE

SIGNED AND SEALED ON BEHALF OF
TRANS-CANADA PIPE LINES LIMITED

"N. E. Tanner"
PRESIDENT

C/S

"J. Ross Tolmie"
DIRECTOR

THIS AGREEMENT made the 21st day of November, 1955.

BETWEEN:

Her Majesty the Queen in right of Canada,
(hereinafter called the "Government of
Canada"), represented by the Minister of
Trade and Commerce, (hereinafter called
"the Minister"),

PARTY OF THE FIRST PART,

- and -

TRANS-CANADA PIPE LINES LIMITED,
a body corporate with head office in the
City of Calgary, Province of Alberta,
duly incorporated by Act of Parliament,
Chapter 92, Statutes of Canada 1951
(hereinafter called "Trans-Canada"),

PARTY OF THE SECOND PART.

WHEREAS Trans-Canada has been authorized by the Board of Transport Commissioners for Canada to construct an all-Canadian natural gas pipe line, currently estimated to cost approximately \$375 million, from a point on the Alberta-Saskatchewan border eastward through the Provinces of Saskatchewan, Manitoba, Ontario and to the City of Montreal in the Province of Quebec, with connections to serve cities and communities within economic reach of the said pipe line;

AND WHEREAS the Government of Canada favours the construction of the said pipe line in the national interest and to that end is prepared to recommend to Parliament that a Crown Corporation of the Government of Canada be established and financed to construct a section (hereinafter called "the Northern Ontario section") of the said all-Canadian pipe line commencing at the Ontario-Manitoba border and extending eastward through Northern Ontario to a point at or near the Town of Kapuskasing, Ontario and that the Northern Ontario section be leased to Trans-Canada for a period of 25 years and on the terms as hereinafter set forth;

AND WHEREAS Trans-Canada has carried on engineering studies, market surveys, contract negotiations, and has taken options to acquire right-of-way for the major portion of the Trans Canada all-Canadian pipe line, and has constructed a 20-inch pipe line from the Niagara River to Sheridan in the vicinity of Toronto, Ontario;

AND WHEREAS Trans-Canada proposes to construct between October 1st, 1955 and November 1st, 1956 a 34-inch pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, Manitoba, with a lateral line from the vicinity of Winnipeg to Emerson, Manitoba, and a 24-inch pipe line from Sheridan to Brooklin, Ontario, and a 20-inch line from Brooklin to Ste Anne de Bellevue in the vicinity of Montreal, Quebec, with a lateral from Morrisburg to the vicinity of Ottawa, Ontario.

AND WHEREAS Trans-Canada proposes to construct between October 1st, 1955 and November 1st, 1957 a 30-inch pipe line from the vicinity of Winnipeg, Manitoba to the Manitoba-Ontario border, and from the vicinity of Kapuskasing, Ontario to Brooklin, Ontario;

AND WHEREAS Trans-Canada proposes to arrange for financing of all its costs and commitments in connection with the said program of construction prior to May 1st, 1956;

NOW THEREFOR THIS AGREEMENT WITNESSETH

1. Trans-Canada will diligently take steps to secure all necessary governmental permits, financing, materials and supplies for and, having obtained same, will carry out the aforesaid program of construction and particularly will cause to be constructed in conjunction with the construction of the said Northern Ontario section of the said all-Canadian pipe line the portions thereof from the vicinity of Winnipeg, Manitoba to the Manitoba-Ontario border, and from the vicinity of Kapuskasing, Ontario to Brooklin, Ontario, so that all portions of the said pipe line to be constructed by Trans-Canada will be ready for operation at the time of completion of the Northern Ontario section

2. The Government of Canada will recommend to Parliament that a Crown Corporation of the Government of Canada be established and that funds be provided to such Crown Corporation to enable it in due course and in conjunction with the building of the said all-Canadian pipe line to acquire the necessary right-of-way and to construct thereon the Northern Ontario section of the said all-Canadian pipe line.

3. If evidence satisfactory to the Government of Canada is presented by Trans-Canada before May 1st, 1956 that it has arranged for financing of all the costs and commitments in connection with the said program of construction, the Government of Canada will cause the said Crown Corporation to acquire the said right-of-way and construct thereon a natural gas pipe line of the size and specifications laid down by order of the Board of Transport Commissioners for Canada under which Trans-Canada is authorized to construct the said all Canadian pipe line. The said Northern Ontario section shall commence at the Ontario-Manitoba border west of Kenora, Ontario, thence to Port Arthur and Fort William, Ontario, thence to or in the vicinity of Nipigon, Ontario, thence to the vicinity of Geraldton, Hearst and Kapuskasing in the Province of Ontario, being a distance of approximately 675 miles and costing a currently estimated total of \$117,633,000. The said pipe line shall consist of 30-inch diameter pipe of 3/8-inch wall thickness and initially shall be equipped with pressure capacity capable of transmitting approximately 300 million cubic feet of gas per day and designed to have its capacity increased to 530 million cubic feet per day by installing additional compression facilities. The engineering and design of the facilities included in the said Northern Ontario section and the standards of construction and workmanship shall be in accordance with the design and construction standards specified by the engineering firm responsible to Trans-Canada for such matters for the whole all-Canadian pipe line.

4. In the carrying out of their respective undertakings hereunder, Trans-Canada and the said Crown Corporation shall co-operate in every

respect to the end that (a) the said all-Canadian pipe line shall be completed as one integrated project on the most economical basis from the point of view both of costs of construction and operation, and (b) the construction of the Northern Ontario section and the installation of the facilities are properly carried out to meet the designs, plans and specifications thereof.

5. After completion of construction of the Northern Ontario section, the Crown Corporation will install and bear the cost of additional integral parts of the pipe line, including additional compression facilities, if required by increased gas demand east of the Manitoba-Ontario border, without, however, being required to build any additional pipe line or looping of the Northern Ontario section or sales laterals therefrom.

6. The Crown Corporation will retain title to the Northern Ontario section and will enter into a lease thereof to Trans-Canada substantially on the following terms

- (a) The lease shall be for a period of 25 years from the completion of construction;
- (b) The lessee will, during the term of the lease
 - (i) at its own cost and expense operate and maintain the Northern Ontario section so as to make the maximum practical use thereof having regard to gas demand east of the Manitoba-Ontario border;
 - (ii) pay local and municipal taxes and assessments;
 - (iii) pay to the Crown Corporation a monthly rental equal to the number of Mcf. of natural gas actually transmitted by the Northern Ontario section in the preceding month multiplied by the transportation cost per Mcf. as hereinafter provided. The said transportation cost shall be that amount per Mcf. which, if the line were operated for one year at 2/3 of initially designed capacity, would yield an amount in that year equal to 4-1/2% of the capital cost.

to the Crown Corporation of the Northern Ontario section as constructed at its initially designed capacity. In calculating the said capital cost, there shall be included, in addition to all costs of materials, supplies, right-of-way, installation, or other costs incurred in the construction of the section, interest costs and all other expenses of the Crown Corporation during construction;

(iv) commencing in the fourth full calendar year of the term of the lease, and for each calendar year thereafter, pay to the Crown Corporation by way of additional rental the amount by which in such calendar year the revenues of Trans-Canada exceed its operation expenses, (including its costs of operating and maintaining the Northern Ontario section as required under the terms of this Agreement), interest on bonds, debentures and other outstanding debts and obligations, and depreciation at 3-1/2 per cent of the cost of its depreciable assets, such additional rental not to exceed in any event 1 per cent of the said capital cost of the Northern Ontario section and to be payable only to the extent necessary to bring the accumulated total of rental payments under subparagraphs (iii) and (iv) hereof to an amount equal to 7 per cent per annum of the total capital cost from time to time of the Northern Ontario section together with interest accumulated at 3-1/2 per cent per annum compounded annually on the net deficiencies below 7 per cent per annum of any preceding period;

(v) make such repairs and replacements as may be required to maintain the Northern Ontario section in proper operating condition;

(vi) be responsible for any loss of or damage to any part of the Northern Ontario section and will carry insurance in favour of the Crown Corporation and itself in respect of such parts thereof as would be covered by insurance if it were the owner of the Northern Ontario section in such amounts as may be agreed upon between the parties;

(vii) be responsible for any loss of or damage to property of others, injury to persons or infringements of any rights arising from or occasions by the operation of the Northern Ontario section and will indemnify and save harmless the Crown Corporation from any and all such claims.

(c) Such other terms as may be mutually agreed upon for the carrying out of the intent and purpose of this Agreement.

7. It is understood and agreed by the parties hereto that Trans-Canada shall purchase the Northern Ontario section from the Crown Corporation as soon as it can arrange the necessary finances. Trans-Canada may elect to purchase the Northern Ontario section from the Crown Corporation at any time during the term of the lease by giving written notice to the Crown Corporation at least three months prior to the date when the sale is to be completed. The Crown Corporation will, following receipt of such notice, sell to Trans-Canada all facilities and assets comprised in the Northern Ontario section of pipe line as of such date at a price equal to the total capital cost of the Northern Ontario section as of the date of sale, minus all payments under subparagraphs (iii) and (iv) of paragraph (b) of section 6 hereof which are in excess of the amount necessary to give the Crown Corporation from the date of completion of construction an annual return of 3-1/2 per cent on its invested capital and outstanding capital obligations, presuming that the Crown Corporation has applied semi-annually to retirement of its invested capital and outstanding capital obligations all funds received by it in excess of said return.

8. Notwithstanding the provisions of section 7, Trans-Canada shall not be entitled hereunder to elect to purchase nor shall the Crown Corporation be obligated hereunder at any time to sell the assets and facilities comprised in the Northern Ontario section:

- (a) before the Crown Corporation has received, from the date of completion of construction, an annual return of 3-1/2 per cent on its invested capital and outstanding capital obligations as hereinbefore set out; or
- (b) at a price less than (1) the amortized capital cost of the Northern Ontario section which shall be determined by applying, from the date of completion of construction, to the total capital cost from time to time amortization at the rate of 3-1/2 per cent per annum plus interest thereon compounded annually at 3-1/2 per cent per annum, or (2) 70 per cent of the capital cost of the Northern Ontario section at its initially designed capacity as defined in subparagraph (iii) of paragraph (b) of section 6, whichever is the higher amount

9. For the purposes of sections 6, 7 and 8,

- (a) if the date as of which the sale is to be completed does not coincide with an anniversary of the date of completion of construction, interest as expressed in the form of annual return, amortization and interest thereon shall, for the purpose of making the calculations for the lease year then current, be deemed to accrue from day to day; and
- (b) the total capital cost of the Northern Ontario section means
 - (i) The capital cost of the section as constructed at its initially designed capacity as defined in subparagraph (iii) of paragraph (b) of section 6, plus
 - (ii) the cost of additions thereto, such cost to include, in addition to all costs of materials, supplies, land, installation or other costs incurred in the construction of such additions, interest during

construction at 3-1/2 per cent per annum and all expenses of the Crown Corporation that are properly attributable to such construction.

10. This agreement shall be binding upon and enure to the benefit of the successors and assigns of Trans-Canada, but no assignment of this Agreement or of any of the rights or obligations hereunder shall be made by Trans-Canada without first obtaining the written consent of the Minister, and in the event of any such consent being given, Trans-Canada shall not be relieved of any of its obligations hereunder; provided, however, that Trans-Canada, without such consent, shall have the right to mortgage, hypothecate, charge or pledge any or all of its rights hereunder to secure any indebtedness, and no such consent shall be required to permit any person holding such mortgage, hypothec, charge or pledge from enforcing such security under the terms of any trust deed or other instrument.

IN WITNESS WHEREOF the Minister of Trade and Commerce has hereunto set his hand and the seal of the Department of Trade and Commerce on behalf of Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited has caused its seal to be hereto affixed and this Agreement to be signed by its proper officers in that behalf.

SIGNED AND SEALED ON BEHALF OF HER
MAJESTY THE QUEEN IN RIGHT OF CANADA

"C. D. Howe" (Seal)
MINISTER OF TRADE AND COMMERCE

SIGNED AND SEALED ON BEHALF OF TRANS-
CANADA PIPE LINES LIMITED

"N. E. Tanner" (C.S.)

"A. D. Nesbitt"

THIS AGREEMENT made as of the 12th day of September A.D. 1957.

BETWEEN:-

TRANS-CANADA PIPE LINES LIMITED, a body
corporate, with head office in the City of
Calgary, in the Province of Alberta,
(hereinafter called "Company")

OF THE FIRST PART

- and -

NATHAN ELDON TANNER, of the City of
Calgary, in the Province of Alberta,
(hereinafter called "Executive")

OF THE SECOND PART

WHEREAS under and by virtue of an agreement of employment
dated March 9, 1954 (hereinafter called the "said agreement") Company engaged
Executive as its President and/or chief executive officer, and

WHEREAS, under the said agreement parties of the third part and
the fourth part in the said agreement named made certain guarantees to Executive
in respect of Company's undertakings under the said agreement; and

WHEREAS at the Meeting of the Board of Directors of Company
held the 12th day of June 1957, the Board of Directors elected Executive as Chair-
man of the Board of Directors of Company, and

WHEREAS Company and Executive desire to clarify the said
agreement, and to remove any ambiguity therein resulting from Executive's
election as Chairman of the Board aforesaid;

NOW THEREFORE, in consideration of the premises, and other
valuable consideration, Company and Executive agree to and with one another
as follows:

1. Executive and Company agree that effective the 12th day of June, 1957, the words "Chairman of the Board of Directors of Company" shall be deemed to have been substituted for the words "President" and "Chief Executive Officer" as the context may require wherever the terms "President" and/or "Chief Executive Officer" appear in the said agreement, and the words "President" and/or "Chief Executive Officer" as they appear in the said agreement shall be construed as meaning and including "Chairman of the Board of Directors of Company".

2. Executive agrees to waive execution of this amending agreement by the third and fourth parties to the said agreement, and Company agrees that as between Executive and Company, the said agreement shall be deemed to have been amended as herein provided.

3. This agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Executive has hereunto set his hand and seal, and the Company has caused its respective corporate seal to be hereunto affixed attested by the signatures of two of its Directors duly authorized in that behalf as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

"N. J. McNeill"
as to the signature of Nathan Eldon
Tanner

TRANS-CANADA PIPE LINES LIMITED

"T. H. Atkinson"
Director (Company)
(Seal)

"A. D. Nesbitt"
Director

"N. E. Tanner" (seal)
Nathan Eldon Tanner

THIS AGREEMENT made as of the 9th day of March, A.D. 1954,

BETWEEN:-

TRANS-CANADA PIPE LINES LIMITED, a body corporate, with head office at the City of Calgary, in the Province of Alberta, (hereinafter called "the Company")

OF THE FIRST PART

- and -

NATHAN ELDON TANNER, of the City of Calgary, in the Province of Alberta, (hereinafter called "the Executive")

OF THE SECOND PART

- and -

CANADIAN DELHI PETROLEUM LTD., a body corporate, with head office at the City of Calgary, in the Province of Alberta, (hereinafter called "Delhi")

OF THE THIRD PART

and -

THE CALGARY & EDMONTON CORPORATION LIMITED, a body corporate, with head office at the City of Winnipeg, in the Province of Manitoba,
ANGLO-CANADIAN OIL COMPANY LIMITED, a body corporate, with head office at the City of Calgary, in the Province of Alberta,
OSLER, HAMMOND & NANTON LIMITED, a body corporate, with head office at the City of Winnipeg, in the Province of Manitoba,
INTERNATIONAL UTILITIES CORPORATION, a body corporate, with head office at the City of New York, in the State of New York, one of the United States of America,
WOOD, GUNDY & COMPANY LIMITED, a body corporate, with head office at the City of Toronto, in the Province of Ontario, and
NESBITT, THOMSON & COMPANY LIMITED, a body corporate, with head office at the City of Montreal, in the Province of Quebec, (hereinafter called "the Western Group")

OF THE FOURTH PART

WHEREAS the Company is incorporated under Special Act of the Government of Canada with an authorized capital of \$5,000,000.00 divided into

5,000,000 shares of the nominal or par value of \$1.00 each; and

WHEREAS the Company desires to engage the Executive as its chief executive officer and the Executive has agreed to act in that capacity for the consideration and upon and subject to the terms and conditions hereinafter in this Agreement set out and provided for; and

WHEREAS Delhi and the Members of the Western Group are all holders of or beneficially entitled to shares of the capital stock of the Company and consider it to be in their best interests that the Executive should be engaged as the chief executive of the Company under the terms of this contract and Delhi and the Western Group have each undertaken to guarantee the payment by the Company of one-half of the salary and retirement allowance to be paid to the Executive under the terms of this Agreement.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants herein contained IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. Subject to the provisions hereinafter contained the Company hereby engages and employs the Executive as its chief executive officer for a period of five (5) years from the 9th day of March, A.D. 1954 and the Executive agrees to serve the Company in that capacity for the said period.

2. The Executive, being at the date hereof the President of the Company will, contingent upon his re-election as a Director of the Company at the Annual General Meetings of the Company to be held during the five year period following the date of this Agreement and his re-appointment by the Board of Directors as President of the Company following each such election, accept and hold the office of President of the Company during

the said period of five years from the 9th day of March, A D. 1954.

3. During the term of his employment by the Company under this Agreement, the Executive agrees to devote his full time and attention to the business of the Company and to endeavour in all respect to the best of his ability to well and faithfully discharge and perform the duties of his office as President and/or chief executive officer of the Company subject to the direction and control of the Company's Board of Directors and to well and faithfully serve the Company and use his best efforts to promote its interests; provided that this shall not preclude the holding by the Executive of directorships in other companies or organizations not competitive or conflicting with the Company and not affecting the exercising and discharging of his duties and obligations as President and/or chief executive officer of the Company.

4. The Company will pay to the Executive a salary to be computed at the rate of \$ 35,000.00 per annum for each year of the term of his employment, such salary to be payable in equal semi-monthly instalments, not in advance, on the 15th and last days of each month, the first of such instalments to be paid on the 15th day of March, A. D. 1954, calculated and adjusted proportionately for the period of the Executive's employment by the Company preceding the said date.

5. Upon the expiration of five years from the date thereof, unless the Company and the Executive mutually agree upon the extension of this contract of employment upon some basis evidenced in writing signed by each of them, the Executive shall retire from service as chief executive officer of the Company under the terms of this contract and upon such retirement the Company will pay to the Executive as and by way of a

retirement allowance the sum of Fifteen Thousand (\$15,000.00) in each of the five years immediately following the termination of his employment payable in semi-monthly instalments, the first of such instalments to be paid on the 15th day of the month following his retirement; Provided that if the Executive shall die prior to the expiration of the period of five years following the date of his retirement, the payments otherwise to be made to the Executive shall be made to his personal representatives for the remainder of the five year period following the date of the Executive's death, and provided further that if the Executive shall die during the term of his employment by the Company, the Company shall pay to his personal representatives in cash within ninety (90) days from the date of his death that proportion of the aggregate of the retirement allowance which would have been paid to the Executive if he had survived the term of his employment equivalent to the proportion which his period of employment shall bear to the period of five years.

6. Delhi unconditionally guarantees the payment by the Company to the Executive and/or his personal representatives the full one-half of the salary and retirement allowance to be payable to the Executive and/or such personal representatives under the terms of this Agreement. The members of the Western Group unconditionally jointly and severally guarantee the payment by the Company to the Executive and/or his personal representatives the full one-half of the salary and retirement allowance to be payable to the Executive and/or such personal representatives under the terms of this Agreement; provided that the guarantees of Delhi and the Western Group given to the Executive under the provisions of this Clause 6 of this Agreement shall cease, terminate and become null and void if and when the annual profits of the Company according to its published financial statements shall, prior to payment of or provision for income tax, be equal to or

exceed two and one-half times the fixed annual interest charges payable by the Company in respect of all of its funded debt. The term "funded debt" where used herein shall without restricting the generality thereof be deemed to include any bond, debenture, debenture stock, note or other obligation of the Company whether secured or unsecured, the due date of payment of the principal amount of which is more than twelve months after the date of making or issue thereof.

7. Subject as hereinafter provided, the Company hereby gives and grants to the Executive an option irrevocable, unless otherwise terminated under the provisions of this Agreement, within a period of five (5) years from the 9th day of March, A.D. 1954, to purchase sixty thousand (60,000) ordinary shares of the capital stock of the Company of the par value of \$1.00 per share at a price of \$8.00 per share.

8. The said option may be exercised by the Executive at any time or from time to time as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole 60,000 shares, and if and when exercised, shall be exercised by notice in writing given by the Executive to the Company at its registered office in the Province of Alberta specifying the number of shares in respect of which it is exercised and accompanied by payment in cash or by marked cheque at the rate of \$8.00 per share for all shares specified in such notice.

9. The Executive agrees that he will not during the period of thirty (30) months from the date hereof offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged either directly or through an underwriter or underwriters in sale and distribution of shares and/or

securities to the public and for a period of thirty (30) days after such distribution and sale shall have been completed or terminated.

10. In the event that the Executive shall cease of his own volition to be the chief executive officer of the Company or to be a Director of the Company either by way of resignation or by refusal to permit himself to be elected as a Director at any time within the five year period following the 9th day of March, A.D. 1954, or, if having been elected as a Director of the Company, the Executive shall refuse to accept the office of President upon appointment of such office being offered to him by the Board of Directors of the Company or shall, after such appointment, resign or refuse to serve as President of the Company, his option hereby granted shall terminate and become null and void in respect of any shares not purchased by the Executive upon the expiration of three months from the date of his so ceasing or refusing to be or act as chief executive officer or as a Director or President of the Company, as the case may be.

11. If the Executive shall not be re-elected as a Director of the Company at any time within the period of five years from the 9th day of March, A.D. 1954, or having been re-elected as a Director of the Company if the Directors shall fail to appoint the Executive, despite his willingness to act, as President of the Company, or shall remove him from such office after appointment otherwise than under the provisions of Clause 14 hereof, the option granted under Clause 7 hereof shall remain in full force and effect for the period therein specified.

12. In the event of the death of the Executive occurring within the currency of the option hereby granted, his legal personal representatives shall have the right to exercise the option to purchase any shares which the Executive would have been entitled to purchase under the terms of

the option granted to him under Clause 7 hereof at the date of his death exercisable at any time within a period of six months following the date of his death, but the said option shall terminate at the expiration of six months from the date of the death of the Executive.

13. In case the Executive shall at any time by reason of illness or mental or physical disability be incapacitated from performing his duties he shall, if required, furnish the Company with satisfactory evidence of such incapacity and the cause thereof and he shall receive his full salary for the first six months or periods aggregating six months during which the incapacity shall continue; provided that, if the Executive shall continue to be incapacitated for a longer period than six consecutive months or shall be incapacitated at different times for more than six months during any one period of twelve months, then and in either of such cases, he shall, at the option of the Directors, to be signified by notice in writing to the Executive, be deemed to have retired from the service of the Company and he shall not be entitled to any compensation of the Company or any other person in respect of such termination, except the retirement allowance provided for under the provisions of Clause 5 hereof and his option to purchase any shares of the Company not theretofore purchased by him under the terms of Clause 7 hereof shall cease and determine at the expiration of six months from the date of such notice.

14. Notwithstanding that the term of five years herein provided for shall not have expired, the Executive's employment may be terminated at any time upon notice in writing by the Company to the Executive if the Executive shall be found guilty of any dishonesty or infidelity in respect of the business of the Company or shall commit an act of bankruptcy or shall wilfully neglect to attend to the business of the Company and, in

the event of his employment being so terminated, he shall be entitled only to salary to the date on which his employment so terminated and the obligation of the Company to pay him a retirement allowance and the option to purchase the shares of the Company granted to him under the provisions of Clause 7 hereof shall terminate on the date of termination of such employment.

15. In the event that the share capital of the Company, as presently constituted, shall be consolidated, subdivided or otherwise altered prior to the exercise by the Executive in full of his option on shares hereby granted then his option in respect to any shares which remains unexercised at the time of such consolidation, subdivision or alteration shall be proportionately adjusted so that the Executive shall from time to time as he exercises the said option be entitled to receive for each \$8.00 paid by him the number of ordinary shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company as at the date hereof for the same consideration as paid by him on the exercise of his option and had held such shares immediately prior to such consolidation, subdivision or alteration.

16. The Executive will give and grant unto a representative or representatives to be designated by Delhi a proxy with respect to the full one-half of any shares which he may acquire under the option granted under Clause 7 hereof during the period of thirty (30) months from the

date of this agreement and the Executive will give and grant a proxy for the remainder of the shares so acquired within the said period to a representative or representatives to be designated by the Western Group or by a majority of the members thereof. Each proxy so granted shall be irrevocable until the expiration of thirty (30) months from the date of this agreement or until the expiration of a period of thirty (30) days from the date upon which the Company shall have completed, either directly or through an underwriter or underwriters, the sale and distribution of shares and/or securities for the purpose of providing the funds required to finance the construction, acquisition and operation of its pipe-lines, properties, equipment and facilities, whichever shall first occur.

17. This Agreement and all of the terms and provisions hereof shall enure to the benefit of and be binding upon the successors and assigns of the Company, Delhi and the members of the Western Group and each of them and to the extent herein provided it shall enure to the benefit of and be binding upon the heirs, executors, and administrators of the Executive.

IN WITNESS WHEREOF the Executive has hereunto set his hand and seal and the Company, Delhi and Members of the Western Group have caused their respective corporate seals to be hereunto affixed, attested by the

signatures of their proper officers in that behalf as of the day and year
first above written,

SIGNED, SEALED AND DELIVERED TRANS-CANADA PIPE LINES LIMITED
in the presence of:

Per: "Frank A. Schultz "

"J. C. Saks"

Assistant Secretary

"Mary C. Livingstone"

As to the signature of Nathan
Eldon Tanner

"N. E. Tanner

(seal)

INTERNATIONAL UTILITIES CORPORATION

Per: "H. R. Milner"

a Director

CANADIAN DELHI PETROLEUM LTD.

Per: "P. T. Bee"

Vice President

"E. W. Butler"

Vice Pres. & Secty.

"S. B. Petrie"

Secretary

WOOD, GUNDY & COMPANY LIMITED

Per: "W. B. Scott"

THE CALGARY & EDMONTON CORPORATION
LIMITED

"J. K. McCausland"

Per: "G. S. Osler"

President

NESBITT, THOMSON &
COMPANY LIMITED

"Charles Reece"

Secretary

Per: "A. D. Nesbitt"

C & E Corp. Doc. #2389

"D. D. Ewart"

ANGLO-CANADIAN OIL COMPANY LIMITED

Per: "H. R. Milner"

President

"John J. Graber"

Secretary

OSLER, HAMMOND & NANTON LIMITED

Per: "G. S. Osler"

President

"J. S. Macmillan"

Secretary

THIS AGREEMENT made as of the 12th day of September A.D. 1957

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED,
a body corporate, with head office in the
City of Calgary, in the Province of
Alberta, (hereinafter called "Company")

OF THE FIRST PART

- and -

CHARLES S. COATES, formerly of Houston,
in the State of Texas, one of the United
States of America, now of Toronto in the
Province of Ontario, (hereinafter called
"Executive")

OF THE SECOND PART

WHEREAS under and by virtue of an agreement of employment dated August 2, 1954 (hereinafter called "the said agreement") Company engaged Executive as its Executive Vice-President and General Manager, and

WHEREAS under the said agreement parties of the third part and the fourth part in the said agreement named made certain guarantees to Executive in respect of Company's undertakings under the said agreement, and

WHEREAS at the Meeting of the Board of Directors of Company held on the 12th day of June, 1957, the Board of Directors elected Executive as President and Chief Executive Officer of Company, and

WHEREAS Company and Executive desire to clarify the said agreement, and to remove any ambiguity therein resulting from Executive's election as President and Chief Executive Officer aforesaid;

NOW THEREFORE in consideration of the premises, and other valuable consideration, Company and Executive agree to and with one another as follows:

1. Executive and Company agree that effective the 12th day of June, 1957 the words "President and Chief Executive Officer" shall be deemed to have been substituted for the words "Vice-President and General Manager" as the context may require wherever the words "Vice-President and General Manager" appear in the said agreement, and the words "Vice-President and General Manager" as they appear in the said agreement shall be construed as meaning and including "President and Chief Executive Officer".

2. Executive agrees to waive execution of this amending agreement by the third and fourth parties to the said agreement, and Company agrees that as between Executive and Company, the said agreement shall be deemed to have been amended as herein provided.

3. This agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Executive has hereunto set his hand and seal, and the Company has caused its respective corporate seal to be hereunder affixed attested by the signatures of two of its Directors duly authorized in that behalf as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

TRANS-CANADA PIPE LINES LIMITED

"N. J. McNeill"

"T. H. Atkinson"

as to the signature of Charles S. Coates

Director (Company)
(Seal)

"A. D. Nesbitt"

Director

"Chas. S. Coates" (seal)

Charles S. Coates

MEMORANDUM OF AGREEMENT made as of this 2nd day of
August, A.D., 1954.

BETWEEN:

Trans-Canada Pipe Lines Limited, a body
corporate with head office at the City of
Calgary, Province of Alberta,
(hereinafter called "the Company")

OF THE FIRST PART

- and -

Charles S. Coates, of Houston, in the State
of Texas, one of the United States of America,
(hereinafter called "the Executive")

OF THE SECOND PART

- and -

Canadian Delhi Petroleum Ltd., a body
corporate with head office at the City of
Calgary, Province of Alberta,
(hereinafter called "Delhi")

OF THE THIRD PART

- and -

The Calgary & Edmonton Corporation Limited,
a body corporate with head office at the City
of Winnipeg, Province of Manitoba,
Anglo-Canadian Oil Company Limited, a body
corporate with head office at the City of
Calgary, Province of Alberta,
Osler, Hammond & Nanton Limited, a body
corporate with head office at the City of
Winnipeg, Province of Manitoba,
International Utilities Corporation, a body
corporate with head office at the City of New
York, in the State of New York, one of the
United States of America,
Wood, Gundy & Company Limited, a body
corporate with head office at the City of Toronto,
Province of Ontario, and
N. T. Investments Limited, formerly known
as Nesbitt, Thomson & Company, Limited,
a body corporate with head office at the City
of Montreal, Province of Quebec,
(hereinafter called "the Western Group")

OF THE FOURTH PART

WHEREAS the Company is incorporated under Special Act of the Government of Canada with an authorized capital of \$60,000,000 . divided into 10,000,000 shares of the nominal or par value of \$1.00 each, and 1,000,000 preferred shares of the nominal or par value of \$50.00 each; and

WHEREAS the Company desires to engage the Executive as its Executive Vice-President and General Manager, and the Executive has agreed to act in that capacity for the considerations and upon and subject to the terms and conditions hereinafter in this Agreement set out and provided for; and

WHEREAS Delhi and the Members of the Western Group are all holders of or beneficially entitled to shares of the capital stock of the Company and consider it to be in their best interests that the Executive should be engaged as Executive Vice-President and General Manager of the Company under the terms of this contract, and Delhi and the Western Group have each undertaken to guarantee the payment by the Company of one-half of the salary and retirement allowance to be paid to the Executive under the terms of this Agreement; and

WHEREAS the Company has agreed to grant unto the Executive an Option to acquire certain shares of the capital stock of the Company as hereinafter set out.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants herein contained, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. Subject to the provisions hereinafter contained, the Company hereby engages and employs the Executive as its Executive Vice-President and General Manager, with headquarters at the City of Calgary, Province of Alberta, for a period of five (5) years from the 1st day of August, 1954 and the Executive agrees to serve the Company in that capacity for the said period.

2. During the term of his employment by the Company under this Agreement the Executive agrees to devote his full time and attention to the business of the Company and to endeavour in all respects to the best of his ability to well and faithfully discharge and perform the duties of his office as Executive Vice-President and General Manager, including those set forth and provided for in the By-laws of the Company, subject to the direction and control of the Company's Board of Directors and to well and faithfully serve the Company and use his best efforts at all times to promote its interests.

3. During the term of his said employment the Executive will not become nor act as an Officer or Director of any other corporation, partnership or association nor engage in any other business whatsoever without the consent of the Company being first had and obtained.

4. The Company will pay to the Executive a salary computed at the rate of Forty-five Thousand Dollars (\$45,000.00) per annum for each of the first three(3) years of the term of his employment, and at the rate of Fifty Thousand Dollars (\$50,000.00) per annum for the remaining two (2) years of his employment, such salary to be payable in semi-monthly instalments not in advance on the 15th and last days of each month, the first of such instalments to be paid on the 15th of August, A.D., 1954.

5. Delhi unconditionally guarantees the payment by the Company to the Executive and/or his personal representatives the full one-half of the salary to be payable to the Executive and/or such personal representatives under the terms of this Agreement. The members of the Western Group unconditionally jointly and severally guarantee the payment by the Company to the Executive and/or his personal representatives the full one-half of the salary to be payable to the Executive and/or such personal representatives under the terms of this Agreement; provided that the guarantees of Delhi and the Western Group given to the Executive under the provisions of this Clause 5 of this Agreement shall cease, terminate and become null and void if and when the annual profits of the Company according to its published financial statements shall, prior to payment of or provision for income tax, be equal to or exceed two and one-half times the fixed annual interest charges payable by the Company in respect of all of its funded debt. The term "funded debt" where used herein shall without restricting the generality thereof be deemed to include any bond, debenture, debenture stock, note or other obligation of the Company whether secured or unsecured, the due date of payment of the principal amount of which is more than twelve months after the date of making or issue thereof.

6. Subject as hereinafter provided, the Company hereby gives and grants unto the Executive an Option, irrevocable unless otherwise terminated under the provisions of this Agreement, within a period of five (5) years

from the 1st day of August, A.D., 1954, to purchase fifty thousand (50,000) ordinary shares of the capital stock of the Company of the par value of \$1.00 per share at a price which shall be the lesser of the following, namely: -

(a) The fair value (ascertained as hereinafter provided) of the said shares at the time of the exercise of such option; or

(b) The sum of Eight Dollars (\$8.00) per share.

7. The said option may be exercised by the Executive at any time and from time to time and as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole fifty thousand (50,000) shares, and if and when exercised shall be exercised by notice in writing given by the Executive to the Company at its registered office in the Province of Alberta specifying the number of shares in respect of which it is exercised and accompanied by payment in cash, or by marked cheque, of the purchase price for all shares specified in such notice.

8. The Executive agrees that he will not during the period of twenty-four (24) months from the date hereof offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged directly or indirectly or through an underwriter or underwriters in the sale or distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution shall have been completed or terminated.

9. In the event that the Executive shall cease of his own volition to be the Executive Vice-President or General Manager of the Company, the option herein granted shall terminate and become null and void in respect of any

shares not purchased by the Executive upon the expiration of three (3) months from the date of the cessation of his employment.

10. In the event of the death of the Executive occurring within the currency of the option hereby granted his legal personal representatives shall have the right to exercise the option to purchase any shares which the Executive would have been entitled to purchase under the terms of the said option at the date of his death, which right may be exercised by such personal representatives at any time within a period of six (6) months following the date of his death, but the said option shall terminate at the expiration of six (6) months from the date of the death of the Executive.

11. In case the Executive shall at any time by reason of illness or mental or physical disability be incapacitated from performing his duties as Executive Vice-President and General Manager of the Company he shall, if required, furnish the Company with satisfactory evidence of such incapacity and the cause thereof, and he shall receive his full salary for the first six (6) months during which the incapacity shall continue; provided that if the Executive shall continue to be incapacitated for a longer period than six (6) months during any one period of twelve (12) months, then and in either of such cases his employment shall, at the option of the Directors to be signified in writing to the Executive, be terminated and the option granted to him under the terms hereof shall cease and determine at the expiration of six (6) months from the date of such notice.

12. Notwithstanding that the term of five (5) years herein provided for shall not have expired, the Executive's employment may be terminated at any time

upon notice in writing by the Company to the Executive if the Executive shall be found guilty of any dishonesty or infidelity in respect of the business of the Company or shall commit an act of bankruptcy or shall wilfully neglect to attend to the business of the Company, and in the event of his employment being so terminated, he shall be entitled only to salary to the date on which his employment is so terminated, and his option to purchase shares of the Company granted to him under the terms of this Agreement shall terminate on the date of the termination of his employment.

13. In the event that the share capital of the Company as at present constituted shall be consolidated, subdivided or otherwise altered prior to the exercise by the Executive in full of his option on shares hereby granted, then his option shall, in respect of any shares which remain subject thereto at the time of such consolidation, subdivision, or alteration, be proportionately adjusted so that the Executive shall from time to time as he exercises the said option be entitled to receive for the amount paid by him the number of ordinary shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company at the date hereof for the same consideration as paid by him on the exercise of his option and had held such shares immediately prior to such consolidation, subdivision or alteration.

14. The fair value of the shares in respect of which the Executive may be entitled to exercise his option from time to time shall be ascertained in the following manner -

- (a) If and when the shares of the Company shall be listed upon any recognized Stock Exchange in the

Cities of New York, New York, U.S.A., Montreal, Quebec, Canada, or Toronto, Ontario, Canada, the fair value shall be the average of the closing quotations, bid side, for such shares on all such Exchanges for the five (5) business days preceding the date on which the option is exercised.

- (b) Prior to the listing of the said shares on any such Exchange the fair value shall be the lesser of
- (i) a price to be specified as the fair value by the Company upon the request of the Executive made in writing to the Company at its office in the City of Calgary, in the Province of Alberta not more than three (3) days prior to the date upon which the option shall be exercised; or
 - (ii) the sum of Eight Dollars (\$8.00) per share.

In ascertaining the fair value of the shares of the Company in accordance with the provisions of this clause of this Agreement such adjustments shall be made as shall be necessary to convert prices quoted on Stock Exchange to Canadian Funds and which may arise from any consolidation, subdivision or other alteration of capital prior to the date on which the option is exercised.

15. Notwithstanding that the option hereby granted is to some extent conditional upon the continuation of the employment of the Executive by the Company as hereinbefore provided, it is understood that the Executive may assign the same or any part thereof to any other person, firm or corporation

and in the event of such assignment the provisions of this Agreement shall be binding upon the assigns of the Executive.

16. This Agreement and all of the terms and provisions hereof shall enure to the benefit of and be binding upon the successors and assigns of the Company, Delhi and the members of the Western Group and each of them and to the extent herein provided it shall enure to the benefit of and be binding upon the heirs, executors, and administrators of the Executive.

IN WITNESS WHEREOF the Executive has hereunto set his hand and seal and the Company, Delhi and members of the Western Group have caused their respective corporate seals to be hereunto affixed, attested by the signatures of their proper officers in that behalf as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

"Iris Mitchell"
as to the signature of Charles
S. Coates

TRANS-CANADA PIPE LINES LIMITED

"N. E. Tanner"
President (C.S.)

"J. C. Saks"
Assistant Secretary

"Chas. S. Coates"

CANADIAN DELHI PETROLEUM LTD.

"Smiley Raborn, Jr."
Vice-President (C.S.)

"S. McKinnon"
Ass't Secretary

THE CALGARY & EDMONTON
CORPORATION LIMITED

"E. A. Nanton"
President (C.S.)

"J. C. Macmillan"
Asst. Secretary

ANGLO-CANADIAN OIL COMPANY LIMITED

"H R Milner"

(C.S.)

"John J. Graber"

OSLER, HAMMOND & NANTON LIMITED

"G. P. Osler"

President

(C.S.)

"J. C. Macmillan"

Secretary

INTERNATIONAL UTILITIES CORPORATION

"E. M. Butler"

Vice-President

(C.S.)

"W. F. Egan"

Assistant Secretary

WOOD, GUNDY & COMPANY LIMITED

"D S. Walker"

(C.S.)

"J. K. McCausland"

N. T. INVESTMENTS LIMITED

"P. M. Thomson"

(C.S.)

"D. D. Ewart"

MEMORANDUM OF AGREEMENT made as of the
1st Day of May A. D. 1956.

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED,
a body corporate with Head Office at the
City of Calgary, in the Province of
Alberta (hereinafter called "the Company")

OF THE FIRST PART

- and -

ROBERT JAMES WALLACE, of Houston,
in the State of Texas, one of the United
States of America, (hereinafter called
"the Employee")

OF THE SECOND PART

WHEREAS by agreement dated the 1st day of October,
A. D. 1954 (hereinafter called the "Agreement") the Company
engaged the Employee as its Gas Supply Manager for a period of
one year from the said date upon terms and conditions as will
more particularly appear by reference to the said Agreement;

AND WHEREAS by Agreement dated the 30th day of
September A. D. 1955 (hereinafter called the "Extension Agree-
ment") the Agreement was extended for a further term of one
year;

AND WHEREAS the Agreement and Extension Agreement
(hereinafter collectively called the "Extended Agreement") provided

inter alia for the granting to the Employee of an option to purchase certain shares of the capital stock of the Company upon terms and conditions as will more particularly appear by reference to the Extended Agreement;

AND WHEREAS the parties now desire to further extend the period during which the said option may be exercised by the Employee .

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the covenants herein contained THE PARTIES HERETO AGREE ONE WITH THE OTHER AS FOLLOWS:

1. That in addition to and notwithstanding the provisions of Clauses 6 and 9 of the Extended Agreement the said option may be exercised at any time and from time to time during the period next following October 1, 1956 calculated as the shorter of a period of eleven (11) calendar months and a period equal to the period from May 1, 1956 to the date upon which the shares of the capital stock of the Company comprised in the said option are released from the escrow provided for by a certain agreement between the Company, the shareholders of the Company, the Employee and others and Her Majesty the Queen in Right of Canada represented by the Minister of Trade and Commerce for Canada dated May 8, 1956 .

2. In the event of the death of the Employee occurring during the period provided in Clause 1 hereof then his legal personal representatives shall have the right to exercise the option to purchase any shares which the Employee would have been entitled to purchase under the terms of the said option at the date of his death, but such right and the said option shall terminate at the expiration of six months from the date of the death of the Employee.

3. That Clause 7 of the Extended Agreement be amended to read as follows:

"7. The Employee agrees that he will not prior to September 1, 1958 offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged directly or indirectly or through an underwriter or underwriters in the sale or distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution shall have been completed or terminated."

4. That the Extended Agreement as amended by these presents shall remain in full force to give effect to the terms

thereof notwithstanding the expiration of the employment of the Employee by the Company on September 30, 1956 pursuant to the terms of the Extended Agreement.

IN WITNESS WHEREOF the Company has caused its corporate seal to be hereunto affixed, attested by the signatures of its proper officers duly authorized in that behalf and the Employee has hereunto set his hand and seal all as of the day and year first above written.

TRANS-CANADA PIPE LINES LIMITED

"Chas. S. Coates"

Vice President

"N. John McNeill"

Ass't Secretary

C/S

Witness as to the
Signature of
Robert James Wallace

"Robert James Wallace"

Robert James Wallace

(seal)

"Pat F. Timmons"

MEMORANDUM OF AGREEMENT made as of the 30th day of September,
A. D. 1955.

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED,
a body corporate with Head Office at the
City of Calgary, in the Province of
Alberta (hereinafter called "the Company")

OF THE FIRST PART

- and -

ROBERT JAMES WALLACE, of Houston, in
the State of Texas, one of the United States
of America, (hereinafter called "the Employee")

OF THE SECOND PART.

WHEREAS by agreement dated the 1st day of October A.D. 1954 the
Company engaged the Employee as its Gas Supply Manager for the period of
one year from the said date upon the terms, rights and conditions as will
more particularly appear by reference to the said Agreement, and

WHEREAS the parties hereto desire that the term of the employment
under the said Agreement be extended for a further term of one year from the
date hereof.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consi-
deration of the premises and the mutual covenants herein contained IT IS
AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That the term of employment of the Employee be and the same is
hereby extended for a period of one year from the date hereof, all upon the
same terms, conditions, rights and provisions as are contained in the

Agreement between the parties hereto dated the 1st day of October A.D.
1954.

IN WITNESS WHEREOF the Company has caused its corporate
seal to be hereunto affixed, attested by the signatures of its proper
officers in that behalf and the Employee has hereunto set his hand and seal
as of the day and year first above written.

SIGNED, SEALED AND DELIVERED) TRANS-CANADA PIPE LINES LIMITED

In the Presence of:

"J. C. Saks"

)

)

)

)

Per: "Chas. S. Coates"

"N. E. Tanner"

"Robert James Wallace"

MEMORANDUM OF AGREEMENT made as of this 1st day
of October, A.D. 1954.

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED,
a body corporate, with head office at the
City of Calgary, in the Province of Alberta,
(hereinafter called "the Company")

OF THE FIRST PART

- and -

ROBERT JAMES WALLACE, of Houston,
in the State of Texas, one of the United
States of America, (hereinafter called
"the Employee")

OF THE SECOND PART

WHEREAS the Company is incorporated under Special Act
of the Government of Canada with an authorized capital of Five Million
Dollars (\$5,000,000.00) divided into Five Million (5,000,000) shares of the
nominal or par value of One Dollar (\$1.00) each; and

WHEREAS the Company desires to engage the Employee as
its Gas Supply Manager and the Employee has agreed to act in that capacity
for the considerations and upon and subject to the terms and conditions
hereinafter in this agreement set out and provided for; and

WHEREAS the Company has agreed to grant unto the
Employee an option to acquire certain shares in the capital stock of the
Company as hereinafter set out.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants herein contained, IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. Subject to the provisions hereinafter contained, the Company hereby engages and employs the Employee as its Gas Supply Manager, with headquarters at the City of Calgary, in the Province of Alberta, for the period of one (1) year from the 1st day of October, A.D. 1954, and the Employee agrees to serve the Company in that capacity for the said period.
2. During the term of his employment by the Company under this agreement the Employee agrees to devote his full time and attention to the business of the Company and to endeavor in all respects to the best of his ability to well and faithfully discharge and perform the duties of his employment as Gas Supply Manager, subject to the direction and control of the Company's General Manager and its Board of Directors and to well and faithfully serve the Company and to use his best efforts and endeavors at all times to promote its interests.
3. During the term of his said employment the Employee will not become or act as an officer, director or employee of any other corporation, partnership or association, nor engage in any other business whatsoever without the consent of the Company being first had and obtained.
4. The Company will pay to the Employee a salary computed at the rate of Fifteen Thousand Dollars (\$15,000.00) per annum, such salary

to be payable in semi-monthly instalments, not in advance, on the 15th and last days of each month, the first of such instalments to be paid on the 15th day of October, A.D. 1954.

5. Subject to the provisions hereinafter contained, the Company hereby gives and grants unto the Employee an option, irrevocable unless otherwise terminated under the provisions of this agreement during the period of his employment to purchase Five Thousand (5,000) ordinary shares of the capital stock of the Company at the par value of One Dollar (\$1.00) per share at Eight Dollars (\$8.00) per share.

6. The said option may be exercised by the Employee at any time and from time to time during the currency of this contract and as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole Five Thousand (5,000) shares and if and when exercised shall be exercised by notice in writing given by the Employee to the Company at its registered office in the Province of Alberta, specifying the number of shares in respect of which it is exercised and accompanied by payment in cash, or by marked cheque, of the purchase price for all shares specified in such notice.

7. The Employee agrees that he will not during the twenty-four (24) month period from October 1st, 1954 to October 1st, 1956 offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged directly or indirectly or through an underwriter or underwriters in

the sale or distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution shall have been completed or terminated.

8. In the event that the Employee shall cease of his own volition to be in the employment of the Company, the option herein granted shall terminate and become null and void in respect of any shares not purchased by the Employee upon the cessation of his employment.

9. In the event that the term of the employment of the Employee under this contract shall be extended beyond the period of one (1) year provided for in Clause 1 hereof the option of the Employee hereby granted shall be extended for the period equivalent to the term of the extension of his employment, unless otherwise mutually agreed between the parties hereto, and in the event of the death of the Employee occurring during the period of any such extension his legal personal representatives shall have the right to exercise the option to purchase any shares which the Employee would have been entitled to purchase under the terms of the said option at the date of his death, which right may be exercised by such personal representatives at any time within a period of six (6) months following the date of his death, but said option shall terminate at the expiration of six (6) months from the date of the death of the Employee.

10. In case the Employee shall at any time by reason of illness or mental or physical disability be incapacitated from performing his duties under this contract he shall, if required, furnish the Company with

satisfactory evidence of such incapacity and the cause thereof, and he shall receive his full salary for the first two (2) months during which the incapacity shall continue; Provided that if the Employee shall continue to be incapacitated for a longer period than three (3) months during any one period of twelve (12) months, then and in either of such cases his employment shall, at the option of the Directors to be signified by notice in writing to the Employee, be terminated and the option granted to him under the terms hereof shall cease and determine at the expiration of thirty (30) days from the date of such notice.

11. Notwithstanding that the period herein provided for the employment of the Employee under the terms of this contract or any extension thereof may not have expired the Employee's employment may be terminated at any time upon notice in writing by the Company to the Employee if the Employee shall be found guilty of any dishonesty or infidelity in respect of the business of the Company or shall commit an act of bankruptcy or shall wilfully neglect to attend to the business of the Company, and in the event of his employment being so terminated, he shall be entitled only to salary to the date on which his employment is so terminated, and his option to purchase shares of the Company granted to him under the terms of this Agreement shall terminate on the date of the termination of his employment.

12. In the event that the share capital of the Company as at present constituted shall be consolidated, subdivided or otherwise altered prior to the exercise by the Employee in full of his option on shares hereby granted, then his option shall, in respect of any shares which remain subject

thereto at the time of such consolidation, subdivision or alteration, be proportionately adjusted so that the Employee shall from time to time as he exercised the said option be entitled to receive for the amount paid by him the number of ordinary shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company at the date hereof for the sum of Eight Dollars (\$8.00) per share and had held such shares immediately prior to such consolidation, subdivision or alteration.

13. This Agreement, the terms and provisions hereof shall enure to the benefit of and be binding upon the successors and assigns of the Company and to the extent only herein expressly provided for it shall enure to the benefit of and be binding upon the heirs, executors and administrators of the Employee.

IN WITNESS WHEREOF the Company has caused its corporate seal to be hereunto affixed, attested by the signatures of its proper officers in that behalf and the Employee has hereunto set his hand and seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED)	TRANS-CANADA PIPE LINES LIMITED
In the Presence of:)	Per <u>"Chas. S. Coates"</u>
)	Vice President
)	
)	<u>"J. C. Saks"</u>
)	Assistant Secretary
)	
)	
<u>"Iris Mitchell"</u>	<u>"Robert James Wallace"</u>
)	Robert James Wallace

THIS AGREEMENT made as of the 12th day of July, A.D.
1956.

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED, a
body corporate with head office at the City
of Calgary, in the Province of Alberta
(hereinafter called "the Company"),

OF THE FIRST PART,

- and -

THOMAS HOWARD ATKINSON, of the City
of Montreal, in the Province of Quebec
(hereinafter called "the Executive"),

OF THE SECOND PART,

WITNESSETH:

1. In consideration of the premises and of the sum of One Dollar (\$1.00) in lawful money of Canada, now paid by the Executive to the Company, receipt whereof is hereby by the Company acknowledged, the Company hereby gives and grants unto the Executive an option irrevocable as more particularly hereinafter set forth and subject to the terms and conditions herein contained, to subscribe for and purchase Twelve Thousand Five Hundred (12,500) common shares of the capital stock of the Company, at and for the purchase price of Eight Dollars(\$8.00) per share.

2 The said option may be exercised by the Executive at any time or from time to time within a period of two years from the date hereof, as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole 12,500 shares, and if and when exercised, shall be exercised by notice in writing given by the Executive to the Company at its registered office in the Province of Alberta specifying the number of shares in respect of which it is exercised and accompanied by payment in cash or by marked cheque at the rate of \$8.00 per share for all shares specified in such notice.

3. The Executive agrees that he will not during the period of two (2) years from the date hereof offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged either directly or through an underwriter or underwriters in sale and distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution and sale shall have been completed or terminated.

4. In the event of the death of the Executive occurring within the currency of the option hereby granted, his legal personal representatives shall have the right to exercise the option to purchase any shares which the Executive would have been entitled to purchase under the terms

of the option granted to him under Clause 1 hereof at the date of his death exercisable at any time within a period of six months following the date of his death, but the said option shall terminate at the expiration of six months from the date of the death of the Executive.

5. In the event that the share capital of the Company, as presently constituted, shall be consolidated, subdivided or otherwise altered prior to the exercise by the Executive in full of his option on shares hereby granted then his option in respect to any shares which remains unexercised at the time of such consolidation, subdivision or alteration shall be proportionately adjusted so that the Executive shall from time to time as he exercises the said option be entitled to receive for each \$8.00 paid by him the number of shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company as at the date hereof for the same consideration as paid by him on the exercise of his option and had held such shares immediately prior to such consolidation, subdivision or alteration.

6. The Executive acknowledges that he is aware of each and every of the terms and conditions of the agreement in writing (hereinafter called "the Shareholders' Agreement") dated the 8th day of May, A.D. 1956, and made between, inter alia, Her Majesty the Queen in right of Canada, represented by the Minister of Trade and Commerce, and the Company and, in particular, with the provisions

of Clause 4 thereof, the Executive covenants and agrees that this agreement and the rights herein given and granted to the Executive are subject to the terms and conditions of the Shareholders' Agreement and further that the Executive undertakes and agrees with the Company to place any and all share certificates which may be issued pursuant to this Agreement in escrow in accordance with the provisions of the Shareholders' Agreement, to be dealt with as provided for in the Shareholders' Agreement.

7. The Executive covenants and agrees with the Company that he will not assign his rights arising hereunder either in whole or in part without the Company's consent in writing thereto being first had and obtained.

8. The parties hereto acknowledge and agree that this Agreement contains the entire agreement between the parties hereto and that no alteration or modification hereof shall be binding unless in writing and signed by the parties hereto.

9. Subject to the provisions of Clause 7 hereof, this Agreement shall be binding upon and shall enure to the benefit of the Company, its successors and assigns and to the Executive, his heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the Company has hereunto affixed its corporate seal attested by the signatures of its proper officers duly

authorized in that behalf and the Executive has hereunto set his hand
and seal, all as of the day and year first above written.

TRANS-CANADA PIPE LINES LIMITED

"Chas. S. Coates"
Executive Vice-President

"N. John McNeill"
Assistant Secretary

(C/S)

SIGNED, SEALED & DELIVERED)

in the presence of)

"F. B. Noins")

"T. H. Atkinson"

(Seal)

THIS AGREEMENT made as of the 11th day of
February, A. D. 1957

BETWEEN:

TRANS-CANADA PIPE LINES LIMITED, a body
corporate with head office at the City
of Calgary, in the Province of Alberta
(hereinafter called "the Company"),

OF THE FIRST PART,

- and -

ALBERT PERRINE CRAIG, of the City of
Toronto, in the Province of Ontario
(herein called "the Executive"),

OF THE SECOND PART,

WITNESSETH:

1. In consideration of the premises and of the sum
of One Dollar (\$1.00) in lawful money of Canada, now paid
by the Executive to the Company, receipt whereof is hereby
by the Company acknowledged, the Company hereby gives and
grants unto the Executive an option irrevocable as more

particularly hereinafter set forth and subject to the terms and conditions herein contained, to subscribe for and purchase Seven Thousand Five Hundred (7,500) common shares of the capital stock of the Company, at and for the purchase price of Ten Dollars (\$10.00) per share.

2. The said option may be exercised by the Executive at any time or from time to time within a period of two years from the date hereof, as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole 7,500 shares, and if and when exercised, shall be exercised by notice in writing given by the Executive to the Company at its registered office in the Province of Alberta specifying the number of shares in respect of which it is exercised and accompanied by payment in cash or by marked cheque at the rate of \$10.00 per share for all shares specified in such notice.

3. The Executive agrees that he will not during the period of two (2) years from the date hereof offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the

terms of this option at any time when the Company is engaged either directly or through an underwriter or underwriters in sale and distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution and sale shall have been completed or terminated.

4. In the event of the death of the Executive occurring within the currency of the option hereby granted, his legal personal representatives shall have the right to exercise the option to purchase any shares which the Executive would have been entitled to purchase under the terms of the option granted to him under Clause 1 hereof at the date of his death exercisable at any time within a period of six months following the date of his death, but the said option shall terminate at the expiration of six months from the date of the death of the Executive.

5. In the event that the Executive's employment with the Company is terminated as a result of the Executive having been found guilty of any dishonesty or infidelity in respect of the business of the Company or having committed an act of bankruptcy or having wilfully neglected to attend to the business of the Company the

option granted herein shall terminate on the date of termination of such employment.

6. In the event that the share capital of the Company, as presently constituted, shall be consolidated, subdivided or otherwise altered prior to the exercise by the Executive in full of his option on shares hereby granted then his option in respect to any shares which remains unexercised at the time of such consolidation, subdivision or alteration shall be proportionately adjusted so that the Executive shall from time to time as he exercises the said option be entitled to receive for each \$10.00 paid by him, the number of shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company as at the date hereof for the same consideration as paid by him on the exercise of his option and had held such shares immediately prior to such consolidation, subdivision or alteration.

7. The Executive acknowledges that he is aware of each and every of the terms and conditions of the agreement in writing (hereinafter called "the Shareholders' Agreement") dated the 8th day of May, A. D. 1956, and made between, inter alia, Her Majesty the Queen in right

of Canada, represented by the Minister of Trade and Commerce, and the Company and, in particular, with the provisions of Clause 4 thereof, the Executive covenants and agrees that this agreement and the rights herein given and granted to the Executive are subject to the terms and conditions of the Shareholders' Agreement and further that the Executive undertakes and agrees with the Company to place any and all share certificates which may be issued pursuant to this Agreement in escrow in accordance with the provisions of the Shareholders' Agreement, to be dealt with as provided for in the Shareholders' Agreement.

8. The parties hereto acknowledge and agree that this Agreement contains the entire agreement between the parties hereto and that no alteration or modification hereof shall be binding unless in writing and signed by the parties hereto.

9. This Agreement shall be binding upon and shall enure to the benefit of the Company, its successors and assigns and to the Executive (and subject to the provisions of paragraph 4 hereof), to his heirs, executors and administrators.

IN WITNESS WHEREOF the Company has hereunto

affixed its corporate seal attested by the signature of
its proper officer duly authorized in that behalf and
the Executive has hereunto set his hand and seal, all
as of the day and year first above written.

TRANS-CANADA PIPE LINES LIMITED

"N. John McNeill" (C/S)
Secretary

SIGNED, SEALED AND DELIVERED)

in the presence of)

"A. Graham Austin")

) "A. P. Craig" (Seal)

THIS AGREEMENT made as of the 7th day of March,

A. D. 1957.

B E T W E E N

TRANS-CANADA PIPE LINES LIMITED,
a body corporate with head office at the
City of Calgary, in the Province of
Alberta (hereinafter called "the Company"),

OF THE FIRST PART

- and -

NOEL JOHN McNEILL, of the City of
Toronto, in the Province of Ontario
(herein called "the Executive"),

OF THE SECOND PART,

WITNESSETH:

1. In consideration of the premises and of the sum of One Dollar (\$1.00) in lawful money of Canada, now paid by the Executive to the Company, receipt whereof is hereby by the Company acknowledged, the Company hereby gives and grants unto the Executive an option irrevocable as more particularly hereinafter set forth and subject to the terms and conditions herein contained, to subscribe for and purchase five thousand (5,000) common shares of the capital stock of the Company, at and for the purchase price of Ten Dollars (\$10.00) per share.

2. The said option may be exercised by the Executive at any time or from time to time within a period of two years from

the date hereof, as to all or any part of the shares covered thereby until it shall have been exercised in respect of the whole 5,000 shares, and if and when exercised, shall be exercised by notice in writing given by the Executive to the Company at its registered office in the Province of Alberta specifying the number of shares in respect of which it is exercised and accompanied by payment in cash or by marked cheque at the rate of \$10.00 per share for all shares specified in such notice.

3. The Executive agrees that he will not during the period of two (2) years from the date hereof offer or cause to be offered for sale any shares of the capital stock of the Company acquired by him under the terms of this option at any time when the Company is engaged either directly or through an underwriter or underwriters in sale and distribution of shares and/or securities to the public and for a period of thirty (30) days after such distribution and sale shall have been completed or terminated.

4. In the event of the death of the Executive occurring within the currency of the option hereby granted, his legal personal representatives shall have the right to exercise the option to purchase any shares which the Executive would have been entitled to purchase under the terms of the option granted to him under Clause 1 hereof at the

date of his death exercisable at any time within a period of six months following the date of his death, but the said option shall terminate at the expiration of six months from the date of the death of the Executive.

5. In the event that the Executive's employment with the Company is terminated as a result of the Executive having been found guilty of any dishonesty or infidelity in respect of the business of the Company or having committed an act of bankruptcy or having wilfully neglected to attend to the business of the Company the option granted herein shall terminate on the date of termination of such employment.

6. In the event that the share capital of the Company, as presently constituted, shall be consolidated, subdivided or otherwise altered prior to the exercise by the Executive in full of his option on shares hereby granted then his option in respect to any shares which remains unexercised at the time of such consolidation, subdivision or alteration shall be proportionately adjusted so that the Executive shall from time to time as he exercises the said option be entitled to receive for each \$10.00 paid by him, the number of shares of the capital stock of the Company that he would have held following such consolidation, subdivision or alteration if he had purchased the shares of the Company as at the date hereof

for the same consideration as paid by him on the exercise of his option and had held such shares immediately prior to such consolidation, subdivision or alteration.

7. The parties hereto acknowledge and agree that this Agreement contains the entire agreement between the parties hereto and that no alteration or modification hereof shall be binding unless in writing and signed by the parties hereto.

8. This Agreement shall be binding upon and shall enure to the benefit of the Company, its successors and assigns and to the Executive (and subject to the provisions of paragraph 4 hereof) to his heirs, executors and administrators.

IN WITNESS WHEREOF the Company has hereunto affixed its corporate seal attested by the signatures of its proper officers duly authorized in that behalf and the Executive has hereunto set his hand and seal, all as of the day and year first above written.

TRANS-CANADA PIPE LINES LIMITED

"Chas. S. Coates"

Vice-President

(C/S)

"A. Graham Austin"

Assistant Secretary

SIGNED, SEALED AND DELIVERED)
in the presence of

"Dora Kardash"

) "N. John McNeill"

(Seal)



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FASTENERS FOR BINDING

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TORONTO, ONTARIO

